NEBRASKA METHODIST COLLEGE OF NURSING AND ALLIED HEALTH

APPLICATION FOR APPROVAL AND REGISTRATION

Iowa College Student Aid Commission

Postsecondary Approval and Registration Administrator
200 10th Street, Fourth Floor
Des Moines, IA 50309
(515) 725-3470

Application for Approval and Registration of Postsecondary School Iowa Code Chapter 261B

Pursuant to *Iowa Code* chapter 261B, the undersigned school applies for registration to conduct or maintain one or more courses of instruction, including courses of instruction by correspondence, where the courses are offered in Iowa or the school has a presence in Iowa and desires to offer courses in other states or foreign countries.

Submit a paper document and a complete duplicate in pdf format on a CD.
Applications may be submitted electronically by contacting the Postsecondary Approval Administrator at the Iowa College Student Aid Commission.

Applications for an initial approval and registration must include a *non-refundable* check for $4,000 payable to the State of Iowa.

Application fees are to be sent to:

Postsecondary Approval and Registration Administrator
200 10th Street, Fourth Floor
Des Moines, IA 50309

All items must be completed before the application will be considered as received by the Commission. Attach additional pages as needed to provide the requested information. Responses are required to have a minimum of a summary paragraph on this form. Responses that include only statements similar to "please see attached", will be considered incomplete. Other documents or materials may also be attached to support the application. Attachments must be tabbed and clearly marked on both the paper and pdf documents.

(Registrations must be renewed every four years or upon any substantive change in program offerings, location or accreditation.)

Name of school and address of the principal office as defined in Iowa Code Section 490.140 or 510.141: [(261.B.4(2))] and [(261B.4(1))]

Name of School: **Nebraska Methodist College of Nursing and Allied Health**
Street: **720 North 87th Street**
City: **Omaha**
State: **Nebraska**

Zip: **68114**
Country: **United States of America**
Telephone Numbers (including country or area code): **(800) 335-5510**

Type of corporation:

[ ] For-profit
[x] Non-profit

Address of this school in all other states, and in foreign countries:

Only one physical campus and address in Omaha, NE. See above.

Address of all locations in Iowa where instruction is to be provided:

Suite	Street	City	State	Zip	Country	Telephone
	Jennie Edmundson Memorial Hospital, 933 East Pierce Street	Council Bluffs	IA	51503	U.S.A	(712) 328-6000

Tuition charges, fees and other costs payable to the school. [(261B.4(3))]

Programs to be offered in Iowa	Tuition	Fees	Books and Supplies*	Other	Total
Bachelor of Science Degree RN to BSN	63 total credit hours = $33,600	$90	$2,450	N/A	**$36, 140**
Bachelor of Science Degree Health Promotion	117 total credit hours = $65,637	$90	$1,942	N/A	**$67,669**
Bachelor of Science Degree Healthcare Administration: Applied Clinical Operations	123 total credit hours = $69,003	$90	$1,250	N/A	**$70,343**
Masters of Science Degree in Nursing, Executive or Educator track	36 total credit hours = $23,904	$90	Executive: $1,750 Educator: $1,368	N/A	**Executive: $25, 744** **Educator: $25,362**

Masters of Science Degree RN to MSN, Executive or Educator Track	54 total credit hours = $35,856	$90	Educator: $2,030 Executive: $2,484	N/A	**Educator: $37,976 Executive: $38,430**
Post-Masters Certificate Nurse Educator or Nurse Executive	14 total credit hours = $9,296	$90	Educator: $554 Executive: $1,001	N/A	**Educator: $9,940 Executive: $10,387**
Masters of Science Health Promotion Management	33 total credit hours = $21,912	$90	$834	N/A	**$22,836**
Masters of Science in Medical Group Administration	No longer being offered, but currently enrolled students will be permitted to finish out program.	$90	$1,797	N/A	N/A

*Estimated costs per year. Varies based on specific courses taken.

Refund policy of the school for the return of refundable portions of tuition, fees, or other charges [(261B.4(4))] If the refund policy is attached, please summarize the policy below.

Students dropping some or all of their courses at Nebraska Methodist College may request a refund of tuition and fees based on a schedule that is available to all students and can be found at: http://www.methodistcollege.edu/admissions/tuition-and-fees/tuition-refund-policy . To obtain a refund, students must complete a Drop/Add Form, which is available from the Registrar's Office. A refund will not be given without a Drop/Add form on record. Furthermore, refunds due a student who completes a withdrawal of all courses and has federal financial aid will first be applied to NMC's share of repayment of unearned federal aid (if any), then to the student's share of repayment of unearned federal aid (if any), then to the student.

For more information, please see Exhibit 1.

Degrees granted by the school [261B.4(5))]

Offered in Iowa [(261B.4(11))]

Nebraska Methodist College offers the following courses to Iowa students:

Bachelor of Science Degree

-Health Promotion
-Health Care Administration: Applied Clinical Operations

Bachelor of Science in Nursing Degree
-Nursing

Master of Science Degree
-Health Promotion Management
-Medical Group Administration

Master of Science in Nursing Degree
-Nurse Educator
-Nurse Executive

Post-Master's Certificate
-Nurse Educator
-Nurse Executive

Offered outside of Iowa:

In addition to the courses listed above, the following courses are offered at 720 North 87th Street, Omaha, NE, Nebraska Methodist College's only physical campus:

Certificate
-Medical Assistant
-Medication Aide
-Nurse Aide
-Phlebotomy

Associate of Science Degree
-Diagnostic Medical Sonography
    *Cardiovascular Emphasis
    *Multispecialty Emphasis

-Health Studies
    *Medical Assistant emphasis
    *Surgical Technology emphasis
-Physical Therapist Assistant
-Radiologic Technology
-Respiratory Care
-Surgical Technology

Bachelor of Science Degree
-Health Studies
    *Diagnostic Medical Sonography emphasis
    *Physical Therapist Assistant emphasis
    *Radiologic Technology emphasis

*Respiratory Care emphasis
*Surgical Technology emphasis

Name, business address and telephone number of the chief executive officer of the school: [(261B.4(7)]

Name: **Dennis A. Joslin**
Street: **720 North 87th Street**
City: **Omaha**
State: **Nebraska**
Zip: **68114**
Country: **U.S.A.**
Telephone Number (including country or area code): **(402) 354-7257**

Provide a copy or description of the means by which the schools intends to comply with 261B.9 [(261B.4(8))]. Code Section B.0 is as follows:

261B.9 DISCLOSURE TO STUDENTS.
Prior to the commencement of a course of instruction and prior to the receipt of a tuition charge or fee for a course of instruction, a school shall provide written disclosure to students of the following information accompanied by a statement that the information is being provided in compliance with this section:
1. The name or title of the course.
2. A brief description of the subject matter of the course.
3. The tuition charge or other fees charged for the course. If a student is enrolled in more than one course at the school, the tuition charge or fee for all courses may be stated in one sum.
4. The refund policy of the school for the return of the refundable portion of tuition, fees, or other charges. If refunds are not to be paid, the information shall state that fact.
5. Whether the credential or certificate issued, awarded, or credited to a student upon completion of the course or the fact of completion of the course is applicable toward a degree granted by the school and, if so, under what circumstances the application will be made.
6. The name of the accrediting agency recognized by the United States department of education or its successor agency which has accredited the school.

Response:

1-2. The name or title of the course along with a brief description of the course are provided in written format to the student through the college catalog which can be accessed by any and all students at www.methodistcollege.edu, or more directly at: http://www.methodistcollege.edu/Documents/2012-2013%20NMC%20College%20Catalog%20FINAL.pdf .

3. Nebraska Methodist College's tuition and fees are available to students in the college catalog and online. Students can view tuition and fees costs by program and degree by visiting: http://www.methodistcollege.edu/admissions/tuition-and-fees/tuition-by-program-and-degree .

4. The refund policy is available in the course catalog and the specific fee schedule can be found at: http://www.methodistcollege.edu/admissions/tuition-and-fees/tuition-refund-policy. The catalog also addresses NMC's refund policy for students withdrawing or taking a leave of absence.

5. Appearing in the college catalog, students can also find NMC degree plans, each of which enumerates the courses and credit which must be successfully completed in order to earn the desired degree.

6. Nebraska Methodist College is accredited by the Higher Learning Commission and is an affiliate of Nebraska Methodist Health System. Students have access to information regarding our accreditation on our website and through our catalog.

Name, address, and telephone number of a contact person in Iowa [(261B.4(10))]

Steven Baumert
933 East Pierce Street
Council Bluffs, IA 51503
712-396-6000

Officer Number 1

Deb Bass
Chairperson
President, CEO
Bass & Associates, Inc.
6825 Pine Street, Suite 354
Omaha, NE 68106
(402) 346-1505

For officer 2 or more, add pages as needed:
Please see Exhibit 2, for the remaining information of officers and members.

Owner Number 2

Names and addresses of persons owning more than 10% of the school: [(261B.4(6))]

Name: **Nebraska Methodist Health System**
Street: **8511 West Dodge Road**
City: **Omaha**
State: **NE**
Zip: **68114**
Country: **U.S.A.**
Telephone Number (including country or area code): **(402) 354-4800**

For owners 2 or more, add pages as needed: **N/A**

Name all agencies accrediting the institution. For each agency, include name, address, telephone number, and whether the agency is recognized by the U.S. Department of Education. [(261B.4(9))] Attach copies of accreditation certificates of status for each agency. If the Iowa location is not accredited, provide accrediting agency certification that the Iowa location will be granted accreditation upon approval by the College Student Aid Commission. Provide documentation that every location of applicant school is approved by the accrediting agency and in good standing, for all locations throughout the world.

Accrediting Agency 1

The Higher Learning Commission of the North Central Association of Colleges and Schools
30 North LaSalle St., Suite 2400
Chicago, IL, 60602
(800) 621-7440
Contact Person: Sylvia Manning

Is this agency recognized by the U.S. Department of Education? [x] Yes [ ] No

Please see Exhibit 3.

Accrediting Agency 2

The State of Nebraska Board of Nursing has approved the BSN program for the preparation of students to become registered nurses. Graduates are eligible to take the National Council of State Boards Licensure Examinations (NCLEX-RN). Both the BSN and MSN are accredited by:
Commission on Collegiate Nursing Education (CCNE)
One DuPont Circle NW, Suite 530
Washington, DC, 20036-1120.
(202) 463-6930
Contact Person: Jill Derstine (CCNE) and Marletta Stark

Is this agency recognized by the U.S. Department of Education? [x] Yes [ ] No

Please see Exhibit 4.

Accrediting Agency 3

The Physical Therapist Assistant Program is accredited by:

Commission on Accreditation in Physical Therapy Education of the American Physical Therapy Association (CAPTE)
1111 North Fairfax Street
Alexandria, VA, 22314
(703) 706-3245
email: accreditation@apta.org

website: www.capteonline.org
Contact Person: Mary Harris

Is this agency recognized by the U.S. Department of Education? [x] Yes [ ] No

Please see Exhibit 5.

Accrediting Agency 4

The Medical Assistant Program is accredited by:

Commission on Accreditation of Allied Health Education Programs (CAAHEP) upon the recommendation of the Curriculum Review Board of the American Association of Medical Assistants Endowment (CRB-AAMAE).

1361 Park Street
Clearwater, FL 33756
(727) 210-2350
Contact Person: Gregory Paulauskis

Is this agency recognized by the U.S. Department of Education? [x] Yes [ ] No

Please see Exhibit 6.

Accrediting agency 4+

Please see Exhibit 7 for list of remaining accrediting agencies and certificates.

Describe the procedures followed by the school for permanent preservation of student records. [(261B.4(12))]

Student records will be maintained by the Office of the Registrar in accordance with guidelines provided by the American Association of Collegiate Registrars and Admissions Officers, as official student records provide documentation of the student's progress through a program of study. Upon a student's matriculation into the College, student records are forwarded from the Office of Admissions to the Office of the Registrar. Academic records for current students will be kept up to date, stored in the Office of the Registrar, and will contain the following items as applicable:
a. College transcript(s)
b. High School transcript(s)
c. GED transcript
d. Application
e. ACT/SAT report
f. Any applicable correspondence (e.g., letters of acceptance to the College)
g. Background check records

Upon graduation from any graduate or four-year program of study, the following items will be maintained for five (5) years as applicable:

a. Application
b. High School transcript(s)
c. Other college transcript(s)
d. GED transcript
e. Degree Audit

Upon graduation from any certificate or associate degree program of study, the entire student record is maintained for five years in the event the student should return to engage in a four-year program of study. When a student withdraws from the College, the entire student record is maintained for a period of five years. Five years after a student graduates or withdraws, the contents of the student record will be destroyed, except for the final NMC transcript and any items required by FERPA to be kept permanently. Academic departments may also maintain permanent records as dictated by accrediting entities.

Provide the contact information to be used by students and graduates who seek to obtain transcript information.

Academic transcripts are available through the Registrar's office. Transcripts will be issued only upon written request of the student. The student is required to submit a Transcript Request form. The Form is made available at: www.methodistcollege.edu. The Form may also be accessed at: www.methodistcollege.edu/Documents/TranscriptRequestFormnewsummer09(0).pdf. The completed form must be submitted to the following address: Registrar's Office, 720 North 87th Street, Omaha, NE 68114. There is no charge for this service.

Please see Exhibit 8 for an example of transcript request.

List the states and approval or registration agencies for all states in which the school operates or maintains a presence.

State	Agency Name	Address	Contact Person	Telephone Number
Arizona	Arizona State Board for Private Post Secondary Education	1400 W. Washington Street, Room 260, Phoenix, AZ 85007	Keith Blanchard	602-542-5769
California	Bureau for Private Post Secondary Education	2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833	Joanne Wenzel	916-431-6905
Colorado	Colorado Department of Higher Education	1560 Broadway, Suite 1600, Denver, CO 80202	Heather DeLange	303-866-2723

Please see Exhibit 9 for additional state approvals.

Describe the academic and instructional methodologies and delivery systems to be used by the school and the extent to which the school anticipates each methodology and delivery system will be used including but not limited to, classroom instruction, correspondence, internet, electronic telecommunications, independent study, and portfolio experience evaluation.

Online Programs

Our online academic programs engaging Iowa residents are taught predominately via online distance education delivery systems that include both synchronous and asynchronous forms of instruction. Some of the programs included in this application require students to travel to campus for instruction and/or a capstone experience. These activities take place at our physical campus in Omaha, Nebraska,

Clinical Experience for Several Online Programs

Several of our online graduate programs:

- Master of Science in Nursing-Nurse Education
- Master of Science in Nursing-Executive
- Registered Nurse to Master of Science in Nursing (RN-to-MSN)
- Registered Nurse to Bachelor of Science in Nursing (RN-to-BSN)

require clinical experience as part of the degree. For these programs, the students are provided detailed directions for identifying a local (Iowa-based) healthcare professional (e.g., nurse practitioner, physician, nurse educator, of certified nursing operator) to supervisor and coordinate their clinical hours and experience.

Clinical Experience for On-Campus Programs

As a health professional college, several of our on-campus programs require that student have a clinical experience. Given our campus location (Omaha, NE) on the western border of Iowa, several of our on-campus programs have clinical opportunities in Iowa healthcare facilities. These programs include:

- Bachelor of Science in Nursing
- Associate of Science degree in Sonography
- Associate of Science in Physical Therapist Assistant
- Associate of Science in Radiologic Technology
- Associate of Science in Respiratory Care
- Associate of Science in Surgical Technology
- Certificate in Medical Assisting

The clinical experiences are through healthcare originations such as the Jennie Edmundson Memorial Hospital in Council Bluff (this hospital is part of the Nebraska Methodist Health System for which our college is a part of) and a range of medical offices and facilities in the western half of the Iowa.

Classroom Management

Nebraska Methodist College uses the Jenzabar software platform for our student information system. As part of the Jenzerbar software, we use the eRacer learning management system for the development and delivery of online courses. eRacer features include: (1) online coursework tools and an integrated, automated grade book; (2) targeted communications for sending events and tasks to student calendars and home pages; (3) role-based previewing parameters for sharing course set-up and content; (4) automatically populated accounts including schedules, enrolled students and (5) ability to incorporate tests, quizzes, and surveys into a course. Using these features, instructors provide students with course materials, discussion boards, assignments, email, blogs, wikis, chat tools, assessment materials, grade centers, academic resources, and tutorials. Students access eRacer course shells for their registered courses through the MyMethodist portal system (https://my.methodistcollege.edu/).

Student Orientation and Advising

All students enrolled in online courses are expected to have access to a computer and the Internet in order to take full advantage of the online instructional delivery activities.

All online students take an online orientation prior to starting courses. In addition, undergraduate students are required (optional for graduate students) to complete an online readiness assessment developed by SmarterMeasure (http://www.smartermeasure.com/. This web-based, 124-item assessment measures a student's readiness for succeeding in an online educational program.

We additionally support online student by having advisors from our Office of Student Development Services coordinate with online students regarding their course schedules and progress towards their academic degree.

Technology Support

Nebraska Methodist College has an Office of Educational Technology that works provides support to students and faculty. For students, the office creates login accounts and answers students technology questions via a help desk. For faculty, the office supports creating eRacer course shells and maintaining them across academic terms. The office also helps faculty seeking to add new instructional or technological features to their online courses.

Faculty

Nebraska Methodist College provides faculty opportunities for training and professional development in online teaching through "lunch and learn" events on campus, guest speakers, and campus presentations. Faculty have access to online tutorials and supporting documentation on instructional practices.

Provide the name of every other State of Iowa agency required to approve the applicant school in Iowa, the school's contact person at the agency and the current status of that approval. Attach documentation in the form of a letter or certificate for each agency.

For programs offered online in Nursing, these students have already been licensed through their state of residency, including Iowa. Health Studies and Promotion programs do not require the approval of a State of Iowa agency.

Is the school subject to limitation, suspension, termination (LST) order issued by the U.S. Department of Education?
[ ] Yes [x] No

If yes, explain below:

Provide the name and contact information for a U.S. Department of Education official who can verify the LST Statement.

Does not apply.

Do you:
Enroll students in Iowa? [x] Yes [ ] No
Employ Iowa faculty? [x] Yes [ ] No

Do you intend to:
Enroll students in Iowa? [x] Yes [ ] No
Employ Iowa faculty? [x] Yes [ ] No

Describe current operations or plans to enroll students or employ Iowa faculty.

Nebraska Methodist College (NMC) is a fully accredited college with authorization from the Higher Learning Commission of the North Central Association to award undergraduate and graduate degrees. Nebraska Methodist College was founded in 1891 and is a separately incorporated subsidiary of Nebraska Methodist Hospital. Program delivery at NMC is provided both on ground and online.

Many of the academic programs at NMC include a clinical component as part of the course requirements. In order to provide the best learning experience for our students NMC has established over 80 different clinical affiliations and partnerships with a variety of health care organizations. A member of the Methodist Health System is Jennie Edmundson Hospital which is located in Council Bluffs, Iowa. As a full service hospital, Jennie Edmundson provides an excellent clinical resource and is the primary Iowa based provider for our students in many programs (Nursing, Radiography, Sonography, and Respiratory Care). NMC employs faculty who accompany students to these clinical assignments to provide the necessary clinical education and supervision. Some of these faculty live in Iowa and some in Nebraska and there is no intention that this will change. All who have clinical assignments in Iowa are appropriately licensed.

NMC also offers undergraduate and graduate level programs through our online platform. We currently have students who reside in Iowa enrolled in the following programs: Registered Nurse to Bachelor of Science in Nursing (RN to BSN), Registered Nurse to Master of Science in Nursing (RN to MSN), Master of Science in Nursing (MSN), and Health Promotion Management. NMC currently has faculty employed to teach in one or more of these programs who reside in Iowa. The

Nursing programs include one or two courses with a limited practicum or clinical experience as part of the requirements. For these programs, the students are provided detailed directions for identifying a local (Iowa-based) healthcare professional (e.g., nurse practitioner, physician, nurse educator, of certified nursing operator) to supervisor and coordinate their clinical hours and experience.

Name, address, and telephone number of full-time employees in Iowa.

LAST NAME	FIRST NAME	DESCRIPTION	ADDR1	CITY	STATE	ZIP	HM_PHONE_NBR
Dickerson	Carrie	Program Coordinator	2635 7th Ave	Council Bluffs	IA	51501	712-323-9280
Hawks	Jane	Professor	514 North St	Underwood	IA	51576	712-566-2661
Henton	Francese	Professor	324 Oak Ridge View Cir	Council Bluffs	IA	51503	712-352-1141
Knauss	Tina	Project Analyst	2200 Avenue F	Council Bluffs	IA	51501	712-322-5942
Neese	Amy	Instructor	529 25 Ave	Council Bluffs	IA	51501	402-203-0024
Rollins	Kathleen	Program Dir JE Cert RT Program	24421 Lombardy Rd	Underwood	IA	51576	
Shaw	Loretta	Instructor	1608 Tipton Dr	Council Bluffs	IA	51503	712-325-9547

Will your school comply with *Iowa Code* § 261B.7 limiting the use of references to the Secretary of State, State of Iowa, or College Student Aid Commission in promotional material (See the *Iowa Code* for details)
[x] Yes [ ] No

Will your school comply with the requirements of *Iowa Code* section 261.9(1) "e" to "g" (See *Iowa Code* for details)
[x] Yes [ ] No

Does the school agree to file annual reports that the Commission requires from all Iowa Colleges and universities?
[x] Yes [ ] No

Attach a copy of the applicant school's most recent audit prepared by a certified public accounting firm no more than 12 months prior to the application and state below where, in the audit report, there is evidence that the auditor is providing an unqualified opinion.

KPMG performed the most recent audit. Because Nebraska Methodist College is an affiliate of Nebraska Methodist Health System, you will find that KPMG's audit was performed of the entire Health System wherein the College was included. Please see Exhibit 10. On page one (1), you will find evidence of the auditor wherein an unqualified opinion is provided.

Describe how students will be provided with access to learning resources, including appropriate library and other support services requisite for the schools' degree programs.

Library Services

The Charlotte Schultz Learning Commons encompasses an array of inviting spaces for students, providing a broad range of academic support services focused on supporting student success at Nebraska Methodist College. At the center of the Learning Commons is the John Moritz Library offering students private and group study space as well as the necessary resources and services to support the students and faculty of the College.

The focus of the library collection is on nursing and allied health resources, with more than 8,000 books, over 640 print and online journal titles, and multimedia materials. The library's online catalog lists the print and electronic holdings, as well as the availability and location of each item and allows one to search holdings in all our collections at one time.

CINAHL & Medline databases and e-journals with full text are licensed/password-protected resources. Access is available off campus at any time by signing in with EZ Proxy log-in by all students and employees.

Library staff is available to offer standard reference assistance to all persons affiliated with Nebraska Methodist College.

Academic Resources

Nebraska Methodist College offers a "Writing Across the Curriculum" (WAC) program, which integrates skill-building in writing into professional healthcare courses. The Writing Center Consultant assists students with academic and personal writing in order to help students develop effective strategies to become better writers.

Nebraska Methodist College offers free online tutoring services from NetTutor for currently enrolled students for specific course subjects. The tutoring service is available 24 hours per day; 7 days per week.

Advising & Counseling

To provide personalized attention, each student is assigned an advisor to provide guidance with respect to course of study. Each student meets with his or her advisor prior to registration, but advisors also serve as resources to students throughout the year. Online students are also assigned an advisor and have a variety of multimedia options from which to choose as means of communication with their advisor.

By working with their respective advisors, students will gain an understanding of the courses they are taking, and concurrently, advisors are able to introduce pertinent services that will support students' success and development.

Nebraska Methodist College offers free, confidential counseling to all currently enrolled students. These services are to assist the students in making adjustments in their academic and personal life. Licensed counselors trained in a variety of issues staff the counseling office.

Common counseling issues include test anxiety, relationships/codependency, stress management, time management, anxiety, substance abuse, eating disorders, depression, grief and loss issues, adjusting to college life, parenting/family issues, and career/vocational issues.

Bookstore

All students enrolled in online programs at Nebraska Methodist College may purchase their course textbooks at our online bookstore where new, used, digital, and rental books are available. Students have the option to sell back their used textbooks when coursework is complete.

Nebraska Methodist College provides a bookstore for all on campus textbook and general sundry needs. The campus bookstore carries NMC-branded merchandise, scrubs, stethoscopes, clogs and other medical-related merchandise. In addition, one can find snacks, supplies, gift items and more.

Provide evidence that faculty within an appropriate discipline are involved in developing and evaluating curriculum for the program(s) to be registered in Iowa.

Accreditation: Nebraska Methodist College (NMC) is accredited through The Higher Learning Commission (HLC). A key requirement of this accreditation is a model of continuous improvement and reflection on the curriculum. Additionally, our nursing and Allied Health programs are fully accredited by their respective professional associations which require disciplinary faculty having a key role in the development, evaluation, and assessment of the curriculum.

Evaluation of Courses: NMC employees' self-evaluation by the faculty member, peer evaluation, student evaluation, and administrative evaluation to assess the curriculum and student learning. NMC contracts with The IDEA Center, a nonprofit organization, to provide the survey instrument and assessment analysis of students' evaluation of course instruction.

Curricular Review: All academic program and course syllabi are evaluated by a faculty committee (Academic Curriculum Committee) of the Academic Senate. The purpose of the Curriculum Committee is to monitor the integrity of the curriculum. Functions of the committee include:

- To build and maintain a curriculum which best attains the objectives of Nebraska Methodist College;
- To advise the administration and faculty on academic policy matters and procedures, and curriculum;
- To recommend approval or denial on proposed courses and course changes submitted by academic departments/units;
- To consider new programs, significant modifications or elimination of existing programs;
- To receive reports from reporting committees and forward information to the Executive Group of the Faculty Senate; and
- To make recommendations to the Executive Group of the Faculty Senate for consideration and/or vote of the entire faculty on major changes in curriculum.

Data Collection: At the institutional level, students are surveyed throughout their time at NMC. All freshmen and senior students are asked to complete the NSSE, a survey of student engagement, and every three years all students are asked to complete the SSI, a survey of student satisfaction. All courses are evaluated each semester for student learning, instructor effectiveness, and course delivery using the Individual Development and Educational Assessment (IDEA) evaluation form. The IDEA, NSSE and SSI, provide national, peer, and longitudinal data comparisons. Student exit surveys, along with one- and five-year graduate surveys and employer surveys provide data for program evaluation and revision. The results of program and institutional level assessments are shared with Program Directors via the President's Cabinet and are available on the Intranet. These results are used to enhance academic programs and support services.

Office of Instructional Research: NMC employs a number of methods to obtain, analyze, manage, and disseminate institutional and departmental data in support of instructional programs. Data pertaining to institutional performance indicators is collected by the Office of Institutional Research which creates and distributes student and graduate surveys and then collects and analyzes the results of those surveys. In addition, departments and divisions within the College collect and communicate data via departmental committees, such as the Division of Nursing's Assessment Team. Departmental and division Annual Reports and employee annual Contribution Reviews provide data pertaining to instructional programs and services.

Comparison: Each department/program within the College has unique needs for information and data that offer comparisons between NMC programs and similar programs at other institutions. Each program selects comparative information to confirm that its curriculum and programming are competitive with, if not exceeding, the expected national standards, and positive comparative results contribute to the continuance of program accreditation. The Allied Health and Nursing programs maintain Systemic Evaluation Plans (SEP) which list benchmarks and expectations based on standards of their accrediting bodies. There is also an SEP for the General Education department which provides criteria for evaluation of the Educated Citizen Core Curriculum outcomes. The following are sources of comparison data:

Department	Source of Comparison Data
Undergraduate Nursing	• CCNE (Commission on Collegiate Nursing Education) Standards • AACN (American Association of Colleges of Nursing) BSNEssentials • ANA (American Nursing Association) standards • QSEN (Quality Standards for Education of Nurses) competencies. • Standardized testing scores of students e.g. ATI (Assessment Technology Incorporated) • Graduate data from employee focus groups (stakeholders) that focuses on ability of NMC graduates to assume the professional role of a nurse compared to graduates from other programs.
Masters in Nursing	• CCNE (Commission on Collegiate Nursing Education) Standards • AACN MSN Essentials

	• AONE (American Organization of Nurse Executives) • Nursing Administration: Scope and Standards of Practice • The Scope of Practice for Academic Nurse LNN (National League of nursing) Educators according to the NLN
Respiratory Care	• COARC (Committee on Accreditation of Respiratory Care) • CAAHEP (Commission on Accreditation of Allied Health Education Programs)
Sonography	• Joint Review Committee on Education in Diagnostic Medical Sonography who oversees the Commission on Accreditation of Allied Health Education Programs (CAAHEP)
PTA	• CAPTE (Commission on Accreditation in Physical Therapy Education)- pre-accreditation status
Radial Technology	• ARRT (American Registry of Radiologist Technologists)
Surgical Technology	• CAAHEP (Commission on Accreditation of Allied Health Education Programs) • ARC ST/SA (Accreditation Review Committee on Education in Surgical Technology)

Provide evidence that the school has adequate physical facilities appropriate for the program(s) to be offered and located in the state. Include a copy of a signed agreement for a facility purchase or lease or option to purchase or lease. Please include a photograph of the location.

Nebraska Methodist College is located in Omaha, Nebraska and does not have any additional locations or branch campuses. In September 2005, the new Josie Harper Campus of Nebraska Methodist College was opened, marking a major milestone in the history and development of Nebraska Methodist College. The new, six-year old college campus is nestled in a quiet neighborhood in the center of the city and housed on 7 acres in two buildings designed for health care education. The Alumni building and Professional Development division are located one-half block east of the main campus. Parking is free for students, faculty, staff and guests on campus.

- John Moritz Library supports the teaching, learning, and research of students and faculty in health care education
- On campus fitness center for students to work off test anxiety, work out and stay healthy
- The Charlotte Schultz Learning Commons with a dedicated student center and study rooms
- A full-service coffee bar serving breakfast, lunch, and dinner items
- Apartment style campus housing next to campus with secured access, laundry facilities, wireless internet access and swimming pool

The Riley Leinart Center, a 26,000 square foot building, primarily serves as an office building for faculty, staff and administrative personnel. This center also houses two classrooms and the Physical Therapist Assistant Laboratory.

The Clark Center, a 75,000 square foot building houses many areas critical to the success of the College such as the Bookstore, Library, Computer Lab, Student Health Center, Fitness Center, Student Center, and many laboratories and classrooms. Students can enjoy the convenience of

on-campus living at Josie's Village which opened in August 2007. Josie's Village consist of 32 one-bedroom units, 34 two-bedroom units and one studio within five buildings on the southwest half of the Josie Harper Campus.

Jean Schmidt Beyer Alumni Center, a 10,000 square foot building houses the Alumni offices and the Professional Development offices. The first floor of the Alumni Center is currently leased to community tenants and is not in use by the college at this time.
Nebraska Methodist College is a subsidiary of the Methodist Health System and specifically, Nebraska Methodist Hospital. The Health System also includes Jennie Edmundson Hospital located in Council Bluffs, Iowa. As a result, Methodist College students are afforded clinical experiences within the hospital as well as access to classrooms and laboratories when on site. All experiences at Jennie Edmundson Hospital are coordinated and supervised by Methodist College faculty. All faculty assigned to the Jennie Edmundson Hospital for clinical experiences with students possess the necessary licensure or certification from their respective professions.

Please see Exhibit 11

Include a statement, signed by the chief executive officer of the applicant school, on school letterhead demonstrating the school's commitment to the delivery of programs located in Iowa, and agreeing to provide alternatives for students to complete programs at other institutions if the applicant school closes the program before students have completed their course of study.

Please see Exhibit 12.

Provide an organizational plan that shows the location and physical address, telephone number, fax number and contact information for all internet-based and site-based educational locations, administrative, and service centers operated by the applicant and any parent organization.

Nebraska Methodist College - The Josie Harper Campus is nestled in a quiet neighborhood in the center of Omaha, Nebraska, housed on seven acres in two buildings designed for healthcare education. The Jean Schmidt Beyer Alumni Center and Professional Development division are located one-half block east of the main campus.

The Riley Leinart Center, a 26,000 square foot building, primarily serves as an office building for faculty, staff, and administrative personnel. This center also houses a few classrooms and the Physical Therapist Assistant Lab.

The Clark Center, a 75,000 square foot building, opened in January 2006. The Clark Center houses many areas critical to the success of the College such as the Bookstore, Library, Computer Lab, Student Health Center, Fitness Center, Student Center, and many laboratories and classrooms.

Students can enjoy the convenience of on-campus apartment living at Josie's Village which opened in August 2007. There are 32 one-bedroom units, 34 two-bedroom units and one studio within five buildings on the southwest half of the Josie Harper Campus. Josie's Village offers secured access, laundry facilities, wireless internet, and a swimming pool.

Nebraska Methodist College is an affiliate of the Nebraska Methodist Health System, one of the largest health systems in Nebraska. Created in 1982, the Nebraska Methodist Health System is a strong network of hospitals, healthcare providers, educators and others committed to providing compassionate, quality care to the people of our community.

Nebraska Methodist College – The Josie Harper Campus
720 North 87th Street
Omaha, NE 68114-2852
Dennis Joslin, PhD
President and CEO
402.354.7257 402.354.7090 fax
Dennis.Joslin@methodistcollege.edu

Nebraska Methodist Health System
8511 West Dodge Road
Omaha, NE 68114
John Fraser
President and CEO
402.354.5411 402.354.4819 fax
John.Fraser@nmhs.org

Provide documentation showing the school's policy for the resolution of student and graduate comments and complaints. Provide contact information to which complainants may be referred.

Students and faculty at Nebraska Methodist College have internal mechanisms at their disposal through which they can pursue dialogue with the College about concerns or complaints. External constituents with concerns or complaints against the College should call 402-354-7000. The receptionist will field the request and direct the concerned party to the appropriate administrator. The administrator taking responsibility for the concern will record the nature of the concern and also record any actions taken by the College to address the concern. All concerns reported to an administrator of the College are kept on file in the office of the Dean of Students for 10 years. Students can find our Concerns and Complaints Policy in the college catalog. The College catalog is sent via email to students each year and is readily accessible 24/7 on our website where updates and/or changes are available.

A copy of NMC's "Resolution Process for an Academic Concern" and "Resolution Process for Handling a Grievance against a Faculty Member" can be found in Exhibit 13.

Provide the U.S. Department of Education cohort default rate for each associated organizational entity for which the U.S. Department of Education reports a cohort default rate.

As reported to the U.S. Department of Education, Nebraska Methodist College has a two-year cohort default rate for FY2010 of 3.0%.

Provide the average debt upon graduation of individuals completing programs at each branch location and the entire organization.

The average debt upon graduation for a Nebraska Methodist College graduate is $24,278.

Provide the U.S. Department of Education cohort graduation rate for each branch location and the total organization, showing rates for graduates of diploma, two-year, and four-year, programs if those rates are reported to the U.S. Department of National Center for Education Statistics.

As reported to the U.S. Department of National Center for Education Statistics, Nebraska Methodist College has a four-year graduation rate of 61% (2005 cohort).

SIGNATURE

Dennis A. Joslin
Name

President + CEO
Title

Signature

September 24, 2012
Date

EXHIBIT 1

Tuition Refund Policy

Students dropping a course at Nebraska Methodist College may request a refund of tuition and fees based on the following schedule. To obtain a refund, students must complete the 'Drop / Add' form available at the Registrar's Office. No refund will be given without a 'Drop / Add' form on record. Refunds to students with Federal Financial Aid will be applied to NMC's share of the repayment first, then to the student.

A week begins on Sunday and ends by end of day Saturday.

Courses—13 Weeks or More

Prior to and including	Refund to Student
Week 1	100%
Week 2	80%
Week 3	60%
Week 4	40%
Week 5	20%
Week 6 and after	No Refund

Courses—8 to 12 Weeks

Prior to and including	Refund to Student
Week 1	100%
Week 2	75%
Week 3	50%
Week 4	25%
Week 5 and after	No Refund

Courses—7 Weeks or Less

Prior to and including	Refund to Student
Week 1	100%
Week 2	60%
Week 3 and after	30%

Courses—Medical Assistant & Surgical Technology

Prior to and including	Refund to Student
Week 1	100%
Week 2	75%
Week 3	50%
Week 4	25%
Week 5 and after	No Refund

Courses—Nurse Aide & Phlebotomy

Prior to the first day of class	Refund to Student
3 weeks or more	90%

2 weeks	**80%**
5 days or less	**No Refund**

The Chairperson may make exceptions for extraordinary circumstances.

Courses—Online Consortium of Independent Colleges & Universities

Prior to and including	**Refund to Student**
Week 1	**100%**

Courses dropped after the first week of class are subject to the NMC tuition reimbursement schedule, which includes a minimum of charge of $775, required by Online Consortium of Independent Colleges and Universities.

Housing

For refund of housing, see the campus-housing handbook.

Campus Housing Handbook

Textbooks

Please contact the Bookstore regarding the textbook return policy by email or call 402.354.7240.

(c) Nebraska Methodist College

EXHIBIT 2

Nebraska Methodist College – Board of Directors

Name, Office Address, Phone	Home Address, Phone	Year of Expiration
VICE-CHAIRPERSON Bob Herrera Manager – Information Services Mutual of Omaha Mutual of Omaha Plaza Omaha, NE 68175 (402) 351-8531	14304 Ames Avenue Omaha, NE 68164 (402) 498-3780 *Vice-Chairperson in 2012-2013 term and Chairperson for 2013-2015 term	2015*
TREASURER Dr. Ruth Freed, Ph.D., RN Director Clinical Alignment NE Methodist Health System 8511 West Dodge Road, Omaha, NE 68114 (402) 354-4882	1758 So. 107th Street, Omaha, NE 68124	2014
SECRETARY Tate Fitzgerald American National Bank 8990 West Dodge Road Omaha, NE 68114 (402) 399-5082 Cell: (402) 215-4522	1213 S. 184th Circle Omaha, NE 68130	2013
ASSISTANT SECRETARY Denise Lienemann Scholz Harold K Scholz Co Office Manager 7800 Serum Ave. Ralston, NE 68127 (402) 339-7600	10222 Polk St. Omaha, NE 68127-5401	2014

Immediate Past Chairperson Richard C. Hahn	1133 S. 185th Circle Omaha, NE 68130 (402) 334-3396 Cell: (402) 679-6362	2013
Carolyn Harper	Carolyn Harper 603 North 62nd Street Omaha, NE 68132 (402) 554-1213 (402) 740-5042	2015
Dan Flanagan, Ph.D. Missouri River District Superintendent United Methodist Church Nebraska Conference 2665 Farnam Street, Suite 102 Omaha, NE 68131-3636 (402) 898-9862 (work)	2112 Christine Papillion, NE 68133 (402) 932-7323 (home) Assistant: Catherine McGowan x101	2013
Alan Gard Coventry Health Care 15950 West Dodge Road Omaha, NE 68118 (402) 995-7180	17504 Riggs St. Omaha, NE 68135	2014
Lee Harlan	Lee Harlan 24 Ginger Cove Road Valley, NE 68064 (402) 740-8558 (cell)	2015

Nick Henderson President, TitleCore 210 Regency Parkway, Ste 210 Omaha, NE 68114 402-691-9933, ext. 104 Fax: 402-691-9970 Mobile: 980-6353	3345 North 141st Street Omaha, NE 68164	2015
Janice Kuhn, Ph.D., APRN Director of Counseling & Psychiatry Psychiatric Associates of Lincoln 1919 So. 40th St., Su. 320 Lincoln, NE 68506 (402) 488-5765	19330 Pacific St. Elkhorn, NE 68022 (402) 289-3247	2013
Linda Lovgren President/CEO Lovgren Marketing Group 809 No. 96th St., Ste. 2 Omaha, NE 68114 (402) 397-7158	809 N. 96th Street Omaha, NE 68114 (402) 397-4783 Assistant: Nancy Petula *Vice Chairperson for 2011-2012 Term	2013
Blane McCann, Ph.D. Superintendent Westside Community Schools 909 S. 76th Street Omaha, NE 68114 (402) 390-2106	2908 S. 99th Ave. Omaha, NE 68124 (402) 614-2225 Assistant: Kris Weland (402) 390-2105	2015

Tony Piskac, MD Vice President, Performance Improvement Methodist Health System 8511 W. Dodge Road Omaha, NE 68114 Phone (402) 354-4845	119 N. Happy Hollow Blvd., Omaha, NE 68132 (402) 558-1611	2013
Katie Sanders Senior Manager Data Center Operations Union Pacific Railroad (402) 544-8635	8630 S. 97th St. LaVista, NE 68128 (402) 850-4966 (cell)	2014
Bishop Ann Brookshire Sherer-Simpson United Methodist Church Nebraska Conference 3333 Landmark Circle Lincoln, NE 68504 (402) 466-4955	2501 S. 78th St. Lincoln, NE 68506 (402) 483-7099 Assistant: Elaine Michaud	2015
Adam Yale Red Cedar Capital, LLC 8748 Frederick Street Omaha, NE 68124 (402) 991-1100 (Office)	104 S. 90th St. Omaha, NE 68114 (402) 346-1224	2013

LEGAL COUNSEL
Julie Knutson
Baird Holm
Attorneys at Law
1500 Woodmen Tower
Omaha, NE 68102-2068
(402) 636-8327

4907 Shoreline Cr.,
Papillion, NE 68133
(402) 293-6131

EXHIBIT 3

The Higher Learning Commission
NCA

30 North LaSalle Street, Suite 2400 | Chicago, IL 60602 | 312-263-0456
800-621-7440 | Fax: 312-263-7462 | www.ncahlc.org

Serving the common good by assuring and advancing the quality of higher learning

Part E : Univ. Senate.

April 20, 2009

President Dennis A. Joslin
Nebraska Methodist College of Nursing and Allied Health
720 North 87th St.
Omaha, NE 68114

Dear President Joslin:

This letter is formal notification of the action taken concerning Nebraska Methodist College of Nursing and Allied Health by The Higher Learning Commission. At its meeting on April 6, 2009, the Institutional Actions Council (IAC) voted to continue the accreditation of Nebraska Methodist College of Nursing and Allied Health through the Academic Quality Improvement Program, and to adopt any new items entered on the attached Statement of Affiliation Status (SAS). The Commission Board of Trustees validated the IAC action through its validation process concluded on April 20, 2009. The date on this letter constitutes the effective date of your new status with the Commission.

I have enclosed your institution's *Statement of Affiliation Status (SAS)* and *Organizational Profile (OP)*. The *SAS* is a summary of your organization's ongoing relationship with the Commission. The *OP* is generated from data you provided in your most recent, (2007-08) Annual Institutional Data Update. If the current Commission action included changes to the demographic, site, or distance education information you reported in your Annual Institutional Data Update, we have made the change on the *Organizational Profile*. No other organizational information was changed.

The attached *Statement of Affiliation Status* and *Organizational Profile* will be posted to the Commission website on Monday, May 4. Before this public disclosure however, I ask that you verify the information in both documents, and inform Stephen D. Spangehl, your staff liaison, before Friday, May 1, of any concerns that you may have about these documents. Information about notifying the public of this action is found in Chapter 8.3-3 and 8.3-4 of the *Handbook of Accreditation, Third Edition*.

Please be aware of Commission policy on planned or proposed organizational changes that require Commission action before their initiation. You will find the Commission's change policy in Chapter 7.2 of the *Handbook of Accreditation*. Please review it with care. I recommend that if you have any questions about how planned institutional changes might affect your relationship with the Commission, that you write or call Stephen D. Spangehl.

On behalf of the Board of Trustees, I thank you and your associates for your cooperation.

Sincerely,

Sylvia Manning

Sylvia Manning
President

Enclosures: Statement of Affiliation Status
Organizational Profile

cc: Chair of the Board

The Higher Learning Commission
30 North LaSalle Street, Suite 2400 | Chicago, Illinois 60602-2504 | 312-263-0456
800-621-7440 | FAX: 312-263-7462 | www.ncahigherlearningcommission.org

STATEMENT OF AFFILIATION STATUS

NEBRASKA METHODIST COLLEGE OF NURSING AND ALLIED HEALTH
720 North 87th St.
Omaha, NE 68114

Affiliation Status: Candidate: 1987
Accreditation: (1989- .)
AQIP PARTICIPANT

Nature of Organization

Legal Status: Private NFP
Degrees Awarded: A, B, M

Conditions of Affiliation:

Stipulations on Affiliation Status: Accreditation at the Master's Level is limited to healthcare-related Masters programs.

Approval of New Degree Sites: Prior Commission approval required.

Approval of Distance Education Degrees: Prior Commission approval required for distance education programs other than its approved Master's level programs and the RN to BSN program.

Reports Required: None.

Other Visits Scheduled: None.

Summary of Commission Review

Year of Admission to AQIP: 08/12/2002
Year of Last PEAQ Comprehensive Evaluation: 1999 - 2000
Year of Last Systems Appraisal: 2006 - 2007
Year of Next Systems Appraisal: 2010 - 2011
Year of Last Reaffirmation of Accreditation: 2008 - 2009
Year of Next Reaffirmation of Accreditation: 2015 - 2016
Date of Last Action: 04/20/2009

ORGANIZATIONAL PROFILE

NEBRASKA METHODIST COLLEGE OF NURSING AND ALLIED HEALTH
720 North 87th St.
Omaha, NE 68114

Enrollment Demographics (by headcount) (HLC Posted: 04/13/2009)

	Full-Time	Part-Time
Undergraduate:	377	143
Graduate:	59	24
Post-baccalaureate First Professional:	0	0
Non-Credit headcount:	21	

Educational Programs (HLC Posted: 04/13/2009)

		Program Distribution	Degrees Awarded
Leading to Undergraduate degrees:	Associate	7	33
	Bachelors	10	113
Leading to Graduate degrees:	Masters	4	18
	Specialist	0	0
	First Professional	0	0
	Doctoral	0	0

Certificate Programs:
The Commission is implementing a new data collection policy related to certificate programs. Therefore, the data currently shown for certificates is from the prior year. The current year data on certificates will be posted after May 1, 2009.

Pre-Associate	0	0
Other Undergraduate	4	27
Post-baccalaureate	0	0

Dual Enrollment (HLC Posted: 04/13/2009)
Headcount in all dual enrollment (high school) 0

Off-Campus Activities (HLC Posted: 04/13/2009)

In-State:	Campuses:	None
	Sites:	None
	Course Locations:	None
Out-of-State:	Campuses:	None
	Sites:	None
	Course Locations:	None
Out-of-U.S.:	Campuses:	None
	Sites:	None
	Course Locations:	None

Distance Education Certificate and Degree (HLC Posted: 04/13/2009)

Masters in Health Promotion Management	Internet
Masters in Medical Group Administration	Internet
Masters in Nurse Executive	Internet
Masters in Nursing Educator	Internet
RN to BSN program	Internet

Review Alpha Document List

search... Search HLC

Site Documents

HLC Home
- About HLC
- Maintaining Accreditation
- Resources for Institutions
- Resources for Peer Reviewers
- Commission Policies
- HLC Events
- Understanding Accreditation

Feedback on the Web Site

Site Map

Home

Currently or Previously Affiliated Institutions - 08/15/2012

Information provided on the Statement of Affiliation Status reflects the most recent actions of the Commission. The Commission has a multi-level decision process. Any institutional changes that are currently under review are not made public until final action has been taken.

Nebraska Methodist College of Nursing and Allied Health

720 North 87th St.
Omaha, NE 68114
(402) 354-7000 (Main Phone)

www.methodistcollege.edu

Statement of Affiliation Status Click here for definitions...

Chief Executive Officer: **Dr. Dennis A. Joslin, President**
HLC Institution ID: **1510**
Current Accreditation Status: **Accredited**
Candidacy Date(s): **1987**
Accreditation Date(s): **(1989- .)**
Year of Last PEAQ Comprehensive Evaluation: **1999 - 2000**
Year of Admission to AQIP: **08/12/2002**
Year of Last Reaffirmation of Accreditation: **2008 - 2009**
Year of Next Reaffirmation of Accreditation: **2015 - 2016**
Year of Last System Appraisal: **2010 - 2011**
Year of Next System Appraisal: **2014 - 2015**
Due Date of Next Systems Portfolio: **00/00/00**

Last Action: **04/20/2009**

Control: **Private NFP**
Degrees Awarded (details below): **Associate's, Bachelor's, Master's**

Stipulations on Affiliation Status:

Accreditation at the Master's Level is limited to healthcare-related Masters programs.

Approval of New Degree Locations:

Prior Commission approval required.

Approval of Distance and Correspondence Courses and Programs:

The institution has been approved under Commission policy to offer up to 100% of its total degree programs through distance education. The processes for expanding distance education are defined in other Commission documents.

Reports Required:

None.

Other Visits Scheduled:

AQIP Quality Checkup: 2014 - 2015;

Organizational Profile Click here for definitions...

Enrollment Headcount (last updated: 04/27/2012)

	Full-Time	Part-Time
Undergraduate:	467	235
Graduate:	119	26
Dual enrollment (high school) programs:	0	

Degree Programs (last updated: 04/27/2012)

	Programs Offered	Degrees Awarded in Last Reported Year
Associate Degrees	7	61
Bachelors Degrees	11	129
Masters Degrees	4	24
Specialist Degrees	0	0
Doctoral Degrees	0	0

Certificate Programs (last updated: 04/27/2012)

	Programs Offered	Certificates Awarded in Last Reported Year
Certificates	5	15

Off-Campus Activities (last updated: 04/27/2012)

In-State:	Campuses:	None
	Additional Locations:	None
Out-of-State:	Campuses:	None
	Additional Locations:	None
Out-of-U.S.:	Campuses:	None
	Additional Locations:	None

Higher Learning Commission • 230 South LaSalle Street, Suite 7-500 • Chicago, IL 60604
Contact Us • inquiry@hlcommission.org • 800.621.7440
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EXHIBIT 4

Commission on Collegiate Nursing Education

Serving the Public Interest Through Quality Accreditation

One Dupont Circle, NW
Suite 530
Washington, DC
20036-1120
202-887-6791
fax 202-887-8476
www.aacn.nche.edu

May 18, 2007

Marilyn Valerio, PhD, RN
Associate Dean and Professor
Division of Nursing
Nebraska Methodist College
Josie Harper Campus, 720 North 87th Street
Omaha, NE 68114

Dear Dr. Valerio:

On behalf of the Commission on Collegiate Nursing Education (CCNE), I am pleased to advise you that the CCNE Board of Commissioners acted at its meeting on April 21, 2007, to grant accreditation of the baccalaureate and master's degree programs in nursing at Nebraska Methodist College for a term of 10 years, extending to June 30, 2017. You should plan for the next on-site evaluation to take place in the fall of 2016.

At its meeting, the Board determined that the programs met all four accreditation standards. The Board additionally determined that there are no compliance concerns with respect to the key elements.

As is required for all accredited programs, the Board requested that the programs submit a continuous improvement progress report at the mid-point of the accreditation term. That report should address the nursing programs' continued compliance with all accreditation standards. The deadline for submitting the progress report to CCNE is June 30, 2012. The Report Review Committee, and then the Board of Commissioners, will review the progress report in the fall of 2012. For more information about the continuous improvement progress report, please refer to the CCNE procedures.

A copy of the accreditation report that was sent to you earlier, along with your response to it, is being transmitted to the institution's chief executive officer as the Commission's official report to Nebraska Methodist College. We hope that both the results of your self-study process and the accreditation report will be useful to the continued growth and development of the nursing programs. Certificates of accreditation are enclosed.

As a reminder, programs are expected to continue to comply with the CCNE standards and procedures throughout the period of accreditation. This includes advising CCNE in the event of any substantive change in your nursing programs or of any major organizational changes that may affect the programs' administration, scope or quality. These reporting requirements are discussed further in the CCNE procedures.

We appreciate the many courtesies and the helpfulness extended to the CCNE evaluation team in the fall of 2006. The Commissioners join me in expressing our best wishes as you proceed with tasks important to the future of your nursing programs.

Sincerely,

Jill B. Derstine

Jill B. Derstine, EdD, RN, FAAN
Chair, Board of Commissioners

cc: President Dennis Joslin
CCNE Board of Commissioners
CCNE Accreditation Review Committee
CCNE Evaluation Team

Licensure Unit, PO Box 94986, Lincoln, NE 68509-4986
Phone (402) 471-2118 Fax (402) 471-1066
Licensure Verification: http://www.nebraska.gov/LISsearch/search.cgi
Applications: http://www.dhhs.ne.gov/crl/protindex1.htm

Nebraska Department of Health and Human Services

Division of Public Health

State of Nebraska

Dave Heineman, Governor

December 21, 2010

Marilyn Valerio, Ph.D., RN
Nebraska Methodist College of Nursing and Allied Health
Continuing Education Division
720 N. 87th St.
Omaha, NE 68114

Dear Dr. Valerio:

Thank you for submitting the addendum to your 2009-2011 Federal Application for Nurse Aide Training Program Approval.

Your change is approved as of December 17, 2010.

This verifies that the qualifications for instructors you submitted meet the requirements of the current Title 172 NAC 108 Regulations and Standards Governing the Approval of Training Programs for Nursing Assistants and Final Federal Rules and Regulations Governing Nurse Aide Training and Competency Evaluations Programs. Verification of submitted qualifications by the Credentialing Division is **not** an endorsement of the individual's abilities to instruct a course.

Your approved listing is as follows:

Program Coordinator: Sharon Johannes, RN, MS (from January through December 2010)
Amme Melegrito, RN (from January through December 2011)

Curriculum: "The Nursing Assistant" by JoLynn Pulliam, 4th Edition (until December 2010)
"Basic Nursing Assistant Training" by NHCA, 4th Edition (starting January 2011)

Length of Course: 80 hours

Primary Instructors/Testers:

1. Lois Sindelar Holloway, RN
2. Sharon Johannes, RN
3. Amme Melegrito, RN
4. Susan Delgado, RN

Approved Clinical Site: Nebraska Methodist Hospital, Omaha

Supplemental Material Approved

Videotapes:
1. Basic Nursing Skills, 1980 (from Health Science Consortium)
2. Compassion I Suppose
3. The Heart of Hospice
4. Stroke Story
5. Living with Parkinson's, 1989 (Parkinson Association) "Rose"
6. The Lives We Touch (Minnie Remembers)
7. Infection Control Videos (Brevis Corporation)

Supplemental Materials Approved (continued)

Videotapes (continued):
8. Mosby's Nursing Assistant Skills, 1992 (Insight)
9. Living with Grace (University of Maryland - Baltimore)
10. One is One Too Many (Abuse/Neglect), Concept Media 1999
11. Seizure First Aid (Epilepsy Foundation of America)
12. In Your Hands (Terra Nova)
13. Dealing with Dementia (Medcom)
14. Observe and Report (AHCA)
15. Save Your Back (Med Films)
16. Human Behaviors in Fire (AHCA)
17. Assisting with Cleansing Enema
18. View From the Inside: Older Adults (Sandra Martin Prod.)
19. The Forgetting: A Protrait of Alzheimer's – PBS

All submitted handouts

An application for program approval is not required for each occasion a course is administered as long as the course is not changed. If there are any changes made, reapplication will be necessary with submission of the information changed. This must be submitted to this office for approval prior to instruction.

There is a state requirement that written notice be submitted by mail, fax, or e-mail to our office indicating the **dates, times** and **location** of each nursing assistant training course at least five working days before each nursing assistant training course is to begin. This notice shall be by Nurse Aide Course Notification Form. This form is available on our website: www.dhhs.ne.gov/crl/nursing/na/na.htm. Click on "Applications".

If you have any questions, please contact this office.

Sincerely,

Marletta Stark

Marletta Stark, RN, BSN
Program Manager, Nurse Aide Training
Public Health Division – Licensure Unit
Nursing & Nursing Support
(402) 471-4969

MS/wev

CERTIFICATE OF ACCREDITATION

In accordance with its accreditation standards and procedures, the

Commission on Collegiate Nursing Education

has accredited
the

Baccalaureate Degree Program in Nursing

at

Nebraska Methodist College

Director of the Commission on Collegiate Nursing Education

April 21, 2007
Date of Accreditation Action

The Commission on Collegiate Nursing Education is listed by the U.S. Secretary of Education as a nationally recognized accrediting agency.

This certificate is effective for the duration of the period of accreditation.

Commission on Collegiate Nursing Education
One Dupont Circle, NW, Suite 530 ▪ Washington, DC 20036

CERTIFICATE OF ACCREDITATION

In accordance with its accreditation standards and procedures, the

Commission on Collegiate Nursing Education

has accredited
the

Master's Degree Program in Nursing

at

Nebraska Methodist College

Director of the Commission on Collegiate Nursing Education

April 21, 2007

Date of Accreditation Action

The Commission on Collegiate Nursing Education is listed by the U.S. Secretary of Education as a nationally recognized accrediting agency.

This certificate is effective for the duration of the period of accreditation.

Commission on Collegiate Nursing Education
One Dupont Circle, NW, Suite 530 ▪ Washington, DC 20036

EXHIBIT 5

Commission on Accreditation in Physical Therapy Education

American Physical Therapy Association

SUMMARY OF ACTION

Physical Therapist Assistant Program
Nebraska Methodist College
720 North 87th Street
Omaha, NE 68114

On April 28, 2010, the Commission on Accreditation in Physical Therapy Education made the following decision regarding the physical therapist assistant education program at Nebraska Methodist College.

Status: **ACCREDITATION**

Action Taken: Grant Accreditation

Effective Date: April 28, 2010

Information Used to Make Decisions: Self-study Report received November 24, 2009
Visit Report with Institution Response received March 11, 2010
Comments from the Program Director
Comments from the Team Leader

Reason for Decision: The Commission based its decision to grant accreditation status [for a period of five years] on the program's general compliance with the intent of the Evaluative Criteria and on the expectation that the program will, within the next two years, bring itself into compliance with the criteria noted in the Commission's Findings which are attached. That compliance must be appropriately documented in a Compliance Report which will be used by the Commission to determine compliance with the criteria noted in the Findings and to monitor compliance with all the criteria.

The status of accreditation is granted to the program described in the materials reviewed by the Commission. The institution and program are responsible for notifying CAPTE of all substantive changes in the program prior to implementation. Unexpected substantive changes are to be reported immediately after they occur. Substantive changes to be reported include, but are not limited to, change in program leadership, change in the administrative structure in which the program is housed, significant change in the characteristics of students admitted to the program, significant decreases in resources available to the program (faculty, staff, space, equipment, funding, etc.), increases or decreases (greater than 25%) in the size of classes to be admitted, major curricular changes, and establishment of an expansion program. (See Part 9 of CAPTE's Rules of Practice and Procedure for more information about reporting changes.)

Graduate Performance: Because the program has not yet graduated its first class, the Commission is unable to comment at this time on student achievement.

Next Activity: Six (6) copies of a Compliance Report due February 15, 2011, related to issues identified on the following pages.

Notices: The program is advised to heed the following notices which are appended (see page 3):

TWO YEAR LIMITATION ON BEING OUT OF COMPLIANCE

ACCURATE PUBLIC DISCLOSURE OF THIS DECISION BY THE INSTITUTION

PUBLIC NOTICE OF DECISIONS BY CAPTE

AUTHORIZED STATEMENT OF ACCREDITATION

NOTICES

TWO YEAR LIMITATION ON BEING OUT OF COMPLIANCE

CAPTE's recognition by the United States Department of Education requires a limitation of two years for programs to be out of compliance with an evaluative criterion. [34 CFR 602.20(a)(2)(iii)] When, after review of a Progress Report, the program remains out of compliance with any criterion and sufficient progress toward compliance has not been demonstrated, CAPTE may act to place the program on probationary accreditation and/or shorten the accreditation cycle. If the program remains out of compliance with any criterion at the end of a two year period following the initial finding that a program is out of compliance, CAPTE will withdraw accreditation unless CAPTE judges the program to be making a good faith effort to come into compliance with the evaluative criteria, in which case CAPTE may determine to continue the accreditation cycle and to monitor the program's progress. CAPTE defines a "good faith effort" as 1) a completed comprehensive assessment of the problem/issue under review, 2) an appropriate plan for achieving compliance within a reasonable time frame, 3) a detailed timeline for completion of the plan, 4) evidence that the plan has been implemented according to the established timeline, and 5) reasonable assurance that the program can and will achieve compliance as stated in the plan.

ACCURATE PUBLIC DISCLOSURE OF THIS DECISION BY THE INSTITUTION

The institution and program must make accurate public disclosure of the accreditation or preaccreditation status awarded to the program. Further, the United States Department of Education (USDE) requires all recognized accrediting agencies to provide for the public correction of incorrect or misleading information an institution or program releases about accreditation or preaccreditation status, contents of reports of on-site reviews, and accreditation or preaccreditation actions with respect to the institution or program. [34 CFR 602.23(d) and 602.23(e)] If the institution or program chooses to disclose any additional information, beyond the accreditation or preaccreditation status that is within the scope of the USDE rule, such disclosure also must be accurate. Any public disclosure of information within the scope of the rule must include the agency's street address, email address and phone number: Commission on Accreditation in Physical Therapy Education, 1111 North Fairfax Street, Alexandria, Virginia 22314; accreditation@apta.org; (703) 684-2782 or (703) 706-3245. If the Department of Accreditation finds that an institution or program has released incorrect or misleading information within the scope of the USDE rule, then, acting on behalf of CAPTE the Department will make public correction, and reserves the right to disclose this Summary of Action in its entirety for that purpose.

PUBLIC NOTICE OF DECISIONS BY CAPTE

Following all decisions, including decisions to place a program on probation or show cause, or to deny candidacy, withdraw candidacy, withhold accreditation, or withdraw accreditation, the Department of Accreditation will, within 24 hours of notifying the programs and institutions of the decisions, provide notice to the public by placing notice of the decisions on its web site.

AUTHORIZED STATEMENT OF ACCREDITATION

Once a program has been accredited, and for as long as it remains accredited, the program must use the following statement on all educational and promotional materials, including the institution/program web site, where the program's accreditation status is disclosed:

[Name of Program] at [Name of Institution] is accredited by the Commission on Accreditation in Physical Therapy Education (CAPTE), 1111 North Fairfax Street, Alexandria, Virginia 22314; telephone: 703-706-3245; email: accreditation@apta.org; website: www.capteonline.org.

Commission's Findings:

The Commission on Accreditation in Physical Therapy Education judged the physical therapist assistant education program at Nebraska Methodist College to be in Conditional Compliance with the following evaluative criteria. Conditional Compliance means that the program has in place a substantial portion, but not all, of the elements necessary to meet all aspects of the evaluative criterion and its interpretive comment and guideline.

1. **1.1.8. Written agreements exist for the provision of off-campus clinical experiences.**

   1.1.8.1. Written agreements between the institution and clinical centers are current and delineate the responsibilities of both agencies.
   1.1.8.3. A process exists for the ongoing review of the written agreements.

   After review of the Self-study Report and the Visit Report, the Commission acknowledges the existence of a process for tracking contracts, clinical site usage and CSIFs. However, the Commission is unable to verify the process used to compare the institutional affiliation contract to ensure that all CAPTE requirements are contained in the document. Additionally, the Commission notes that the Clinical Affiliation agreement submitted in the appendix does not state who is ultimately responsible for the care of the patient. In the Compliance Report, submit the department policy and procedure that will be used for review of written agreements to make sure that all required elements are included in the contracts; whether the contract is generated by the College or by a clinical facility and provide a revised contract that contains all required components including ultimate responsibility for the care of the patient.

   INSTITUTION COMMENTS:

   The legal representative of the Methodist Health System is ultimately responsible for the legal accuracy of the clinical contracts. The signature of the representative from the clinical affiliate signifies that the contract meets the needs of the clinical facility.

   Clinical contracts are generated and managed by the Methodist Health System legal department, on behalf of the College. The legal department ensures that all required elements are included in each contract that is generated and signed. Contracts are reviewed every three years, or as necessary, to ensure compliance with changing regulations and accreditation standards. Necessary changes to the terms of the contract are sent to the clinical affiliate via written letter or addenda.

   Prior to sending out requests for clinical slots each year, the ACCE obtains, from the Legal Administrative Assistant, a list of all contracts between the College and clinical affiliates that pertain to the PTA program. The ACCE checks the list against the actual contracts on file at the College, and notes questions or discrepancies, such as a discrepancy in the expiration date, or a missing indication that the PTA program is included in Appendix 1 of the contract. The ACCE contacts the Legal Administrative Assistant to clarify questions and to resolve discrepancies.

   Attached is a copy of the revised clinical contract with areas highlighted that address required components.

2. **1.4.1. Student recruitment and admission procedures and practices are based upon appropriate and equitable criteria and applicable law. Recruitment and admission policies, procedures and practices assure nondiscrimination and equal opportunity to all students.**

After review of the Self-study Report, the College Catalog and the Visit Report, the Commission is unable to determine precisely how the interview process for admission into the program factors into the selection process. It is also unclear how a class would be selected in the event of a large applicant pool. The Commission notes that while the College Catalog and the Self-study Report state that interview is required for PTA, the program web page uses bullet points for program admission requirements and interview is not among the listed requirements. The Self-study Report (p.21) states that applications will be reviewed upon receipt and interview invitations will be extended to candidates who meet the admission criteria." Interview questions with an indistinct method of scoring are included in the appendix but it is not clear how the interview is scored (question by question versus an overall impression). It is not clear how the interview is used in the selection process or whether it is possible for a prospective student to be denied admission on the basis of the interview. In the Compliance Report, provide the policy and procedure that details the interview process, including scoring and weighting, if any, in the selection process.

INSTITUTION COMMENTS:

While the College, being a private institution, can accept or deny any student for any reason, objectivity is valued in the admissions process. Since the inception of the program, the PTA admission process has been implemented for several new cohorts. At the end of every cohort acceptance, the PD meets with the director of admissions as well as the admissions counselor and reviews the overall process. The process reviewed by the site visit team has since been modified as needed improvements were identified. An objective point system has been created for pre-interview criteria. Students who meet general admission criteria are granted an interview. The interview is a part of the selection process and counts towards 37% (30/80 points on the Admission/Acceptance form) of each student's admission into the program. The interview is graded on the basis of the overall impression of each student's potential. Now that the program has been granted accreditation, our applicant pool has increased but is still managable. A cut-off date has been established for applicants, and interviews will be held in one to two sessions as opposed to the rolling admissions process that was being utilized prior to accreditation. This should cut back on the time commitment for the admissions committee to conduct interviews. In the case of an exceptionally large applicant pool, students who score the highest on the admission form will be extended interview invitations. Invitations will be given until all interview slots are filled.

The interview does appear as a requirement on the PTA web page and can be viewed under Program Admission Criteria.
(http://www.methodistcollege.edu/academicprograms/index.asp?S=2&SUB=35) .
Interview tips are also provided as a hyperlink.

Attached are copies of the updated admission/acceptance forms (high school and transfer) with the scoring for individual candidates.

Please note: the high school admission form is used for two years post high school

graduation due to the College utilizing a student's ACT score during that time.

3. **1.3.1. The rights and privileges of the academic faculty are commensurate with those of other faculty in the institution.**
2.2.1. The institution provides for sufficient program faculty resources to accomplish the mission and goals of the program. The program employs two full-time core faculty members. One of the full-time core faculty members is a physical therapist.

From the materials provided, the Commission is unable to determine the specific workload/teaching requirements for the individual faculty members. The Faculty Personnel Policies does not include specific teaching load expectations for full-time faculty. In addition, the amount of release time for administrative duties of the Program Director and ACCE cannot specifically be determined. The Core Faculty Workload Distribution Form indicates that the Program Director has 375 contact hours of instruction in the academic year and the ACCE has 194 contact hours of instruction during the same time period. The Commission is not able to determine if the teaching load and release/reassigned time is commensurate with other faculty at the college. In the Compliance Report, describe the specific work/teaching load expectations for full-time faculty. Also, describe the specific release time, if any, granted for the performance of administrative duties and how this release time is determined. Finally, provide a description of how full-time faculty teaching loads and reassigned/release time are commensurate with other faculty in the institution.

INSTITUTION COMMENTS:

Faculty needs, duties and workloads are established based on College policies, program requirements, and program accreditation standards.

NMC's faculty workload guideline policy provides a systematic process for the equitable distribution of workload for all faculty members. Within the College, allocation of academic faculty assignments varies according to job duties and responsibilities as articulated in the specific position descriptions. At NMC, the workload for full-time faculty is defined as 24-30 credit hour equivalent (refer to Policy 2.1.1. below). The distribution between the teaching workload and the credit hour equivalent allocated for administrative or other duties is determined jointly by the Associate Dean and the faculty member in the spring prior for the upcoming academic year. Factors taken into consideration for workload distributions include, but are not limited to, significant curriculum revision, accreditation activities, grant writing or scholarly activities, and other program or college related initiatives that might warrant additional time. For example, if a program director is writing a self-study in a particular year, they would be granted "release time" for that responsibility as a specific credit-hour equivalent allocated to administrative duties.

The faculty workload distribution is completed in advance of the upcoming academic year to allow for adequate planning as describe above. The timeline for this process is described below.

1. February- workload distribution woksheets are distributed to faculty
2. March-

a. completed workload distribution worksheets are submitted to the facutly member's direct supervisor (Program Director and/or Associate Dean). Any significant variations to the workload request (due to accreditation activities, etc) are discussed to determine the effect on program and college operations, as well as workloads and duties of other faculty and staff, so that adjustments can be planned.

b. Final approved workload distribution is discussed with each faculty as part of the Contribution Review process.

3. April- Work agreements (which include the approved credit hour workload) are mailed to all faculty
4. May- Signed agreements are returned to the College

A typical basis for establishing the baseline workload distribution for a Program Director at NMC is 60% instruction and 40% administrative duties. The distribution for Clinical Coordinators is typically 50% instruction and 50% administrative duties (clinical management), but this varies among programs because of accreditation requirements for clinical supervision, number of site visits required per term, number and geographic loaction of clinical sites, etc. NMC operates on a credit hour (or credit hour equivalent) basis for calculating workload distribution, rather than a contact hour calculation. This process for determining faculty workloads and distribution as well as "release time" is consistent for all faculty at NMC.

Excerpt from the Nebraska Methodist College, Policy Manual, Volume II , Faculty Personnel Policies; (page 2).

2.1.1 Faculty Status

2.1.1.1 Full-time Faculty

A full-time teaching faculty member is an employee of Nebraska Methodist College who is qualified for appointment to one of the academic ranks listed in Subsection 2.1.2. Full-time teaching faculty members ordinarily have full-time teaching duties or have teaching and other duties (e.g., research, academic administration, counseling, etc.) equivalent to a full-time teaching load and fulfill the duties and responsibilities of a faculty member. Full-time faculty members who have continuously taught at Nebraska Methodist College for at least six years are eligible to apply for sabbaticals. They are full voting members of the faculty. Full-time faculty members may be appointed pursuant to a term or notice appointment agreement (See Subsection 2.2.1).

2.1.1.3 Adjunct/Per Course Faculty Members

Adjunct or per course faculty members are employed pursuant to term appointments (See paragraph 2.2.1.1) and carry the rank of Adjunct Instructor. Adjuncts who previously earned faculty rank at Nebraska Methodist College may retain their rank, and use "adjunct" before their earned rank to indicate part-time status. Per-course faculty members carry fewer than 15 credit hours per academic year at the College.1 (*A full-time teaching/advising load is defined as at least 24 credit hours per academic year). Such faculty usually have no other faculty duties or responsibilities (i.e., committee obligations, advising, etc.), except for those specified by their division. They do not accrue time

towards promotion or sabbatical, nor are they voting members of the faculty.

*Note regarding section 2.1.1.3- The reference to 24 credits as full time teaching load is for a traditional faculty course schedule (August- May); however, the 24-credit workload may also be distributed over over 12 months. For example the 24 hrs may be distributed as 9 credits-Fall, 12 credits-Spring, 3 credits-Summer.

The workload distribution for FT faculty with a 30- credit hour workload is typically 12 credits (Fall); 12 credits (Spring); 6 credits (Summer). Faculty are compensated accordingly for the additional 6 credits. Policy 2.1.1.1 is currently being revised to reflect the FT credit range as 24-30 credits.

4. **2.7.3. Clinical education experiences are of sufficient quality, quantity and variety to prepare students for their responsibilities as physical therapist assistants.**

Following review of the Self-study Report, the Commission notes the program has an adequate number of clinical sites to support the current numbers of students in the program. The program projects accepting 18 students per year. While the number of OP Ortho placements for CE I and II appear to be adequate to meet the needs of this class size the number of inpatient sites appears to be limited. In the Compliance Report, provide evidence that the number of inpatient placement sites is adequate to meet the needs of the students and program.

INSTITUTION COMMENTS:

Students are required to complete at least one full-time rotation that includes inpatient treatment experiences and one full-time experience providing outpatient care. Thus, students must complete an inpatient clinical rotation during either Clinical Experience II, III or IV. Inpatient clinical slots account for over one-third of all the clinical slots available to students. The Clinical Site Assingnment policy has been modified to indicate that sites outside of the Omaha, Nebraska metro area are also utilized for full-time clinical rotations. This change in policy was necessary to ensure that students would be able to obtain the necessary inpatient rotation, to accommodate for the limited number of inpatient sites available within Omaha.

For the 2010-2011 clinical schedule, there are a total of 32 inpatient slots (9 for CE II, 10 for CE III and 13 for CE IV) accounting for 40% of total slots available for full-time clinical rotations. The Program's policy that all students complete an inpatient rotation during one full-time experience entails that at least one-third of the class be able to complete an inpatient rotation during CE II, CE III and CE IV. The class utilizing these rotations consists of 11 students, but the number of available inpatient sites would also accommodate more than one-third of a class of 18 students. The ACCE has also continued to form clinical contracts with hospitals and skilled nursing facilities in Nebraska and neighboring states, in order to obtain additional clinical slots for future classes.

5. **3.2.6. The program faculty determines that students are competent and safe to progress through the curriculum, including the clinical education component.**

Following review of the Self-study Report, the Commission notes that program policy requires a student to retake a course if the student fails both the first and second attempt on a specific practical examination. It is unclear if the student will automatically be allowed to retake the course the next time it is offered. It is also unclear if multiple attempts at completing the course are possible. In the Compliance Report, describe the specific policies that address these identified issues and concerns of the Commission.

INSTITUTION COMMENTS:

The PTA Program follows the College's cohort progression policy located within the College Catalog on page 70. The policy is also located in the Program Handbook p. 20. The policy is copied from the PTA handbook below:

"PROGRAM PROGRESSION"

PURPOSE:
To clarify reasons for delaying or halting the progression of students in the Physical Therapist Assistant Program, and to address progression of students who are not demonstrating satisfactory academic performance necessary for completion of the Physical Therapist Assistant Program.

POLICY:
The PTA Program is a cohort program meaning that it is designed to be completed by the student in a lockstep fashion from beginning to end, according to the curriculum schedule. Satisfactory progression with the cohort is necessary to maintain one's position in the program.

Failure of One Physical Therapist Assistant Program Course

If a student fails a PTA Program course, the student cannot progress in the program until the course is successfully repeated. Because most technical courses are only offered once per year, students are advised that progression may be delayed by as much a one year. A Student who has failed one (or more) PTA course in any single term will be placed on an Academic Development Plan and will be eligible to reenroll in the course the next time it is offered.

Furthermore, when a student is unable to progress with their cohort, they forfeit their clinical position. Therefore, enrollment in subsequent clinical courses will be determined by clinical space availability.

Program Progression after Course Failure

If the decision is made to proceed with the PTA Program after course failure, a developmental plan will be initiated with the student. The developmental plan will address continued competency in skills and knowledge needed to progress to the clinical portion of the Program. The student will be required to fulfill the components of the developmental plan prior to proceeding with clinical coursework.

Failure of Two Physical Therapist Assistant Program Courses

1. A student who fails a PTA course in any subsequent term will be dismissed from the Program.
2. If a student feels that extenuating circumstances contributed to the second failure, the student can appeal the dismissal through the standard appeal process.

6. **4.1. Assessment is part of a systematic and formal approach to continuous improvement. The program has in place an ongoing process to determine the effectiveness of the program that includes, but is not limited to, the following:**

4.1.5. curriculum

The Commission notes that the Outcomes Assessment Documentation Grid submitted with the Self-study Report identifies three measures for curriculum assessment: congruency with CAPTE criteria, pass rates and employment rates. While congruency with CAPTE criteria is certainly desired, this alone will not provide information to discern qualitative changes that may be needed in the curriculum. Pass rates and employment rates are more closely related to performance of graduates and it is not clear from the narrative how the program can use this data to make predictions about the quality or effectiveness of the curriculum. The Commission also notes that the Self-study Report narrative suggests that other mechanisms for curriculum review may already be in place. In the Compliance Report, submit a revised assessment grid that addresses comprehensive curriculum assessment fully identifying any measures that may already be in place, and includes all of the requirements in the evidence of compliance for this criterion.

INSTITUTION COMMENTS:

The Program utilizes not only surveys from graduates but also from employers who are asked to speak directly to the quality and effectiveness of the program. Employers are also asked within their survey to speak directly to any deficiencies found within the students' knowledge base. The Program also utilizes information from the FSBPT with regards to pass rates to help determine areas of weakness that would require curricular change.

An updated Assessment Process Docummentation Grid is included within the appendicies and has been updated to reflect the comprehensive curriculum assessment as well as any action plans that were warrented.

4.1.6. clinical education program

The threshold of 100% congruency with CAPTE criteria may not yield enough specific information to guide curriculum/clinical education development. While the overall goal of the accreditation process is indeed 100% congruency with CAPTE criteria, there remains an expectation that curriculum be scrutinized through specific assessment means. The Commission recognizes that the program has described some methods on pages 80-82 of the Self-study Report, but the specific assessment process described in the narrative does not match the general process that appears in the assessment grid. The program has a plethora of instruments that have been developed (competency tracking and clinical skills lists, student evaluations of the academic program, exit interviews as well as the IDEA) as data collection tools but it still needs to provide evidence about how data is

collected, summarized and analyzed for the designated data collection instruments. In the Compliance Report, provide a revised Outcomes Assessment Documentation Grid and supporting narrative describing the relationship between the goals, thresholds, and the data collection instruments for the clinical education program. The revised information and documentation should be inclusive of all required elements for evaluation delineated in the evidence of compliance for this criterion.

INSTITUTION COMMENTS:

- The clinical education courses are sequenced appropriately in the curriculum to meet the goals and objectives of the clinical education program

The ACCE reviews each student's performance on course objectives, and calculates the percentage of students meeting each clinical course objective at the end of each clinical course. Aggregate data is used to determine the effectiveness of the clinical education program in achieving the objectives of each clinical course. The goal is that 80% of students meet each clinical objective. If this threshold is not met, the ACCE uses information from other course assessment tools and speaks with students, and with clinical faculty if appropriate, to identify reasons why the objective may not have been met. On the basis of feedback obtained, the ACCE then makes adjustments to course content and/or the course objective. If the ACCE determines that adjustments may need to be made to the structure or organization of the clinical education program in order for students to meet the objectives of the clinical courses, the ACCE will discuss this concern with the Program Director. Performance of students on clinical course objectives is reviewed annually by the ACCE during preparation of the report for the summer meeting of the Advisory Board. Student performance on the Clinical Performance Instrument is reviewed by the ACCE at the end of each clinical course, and is recorded for each student on the CPI Student Performance Summary form. The ACCE uses this tool to confirm that students in the entire cohort have achieved target ratings for each clinical course, as specified in the course syllabi. If the target is not achieved, the ACCE will identify specific items on which the students have repeatedly scored below the target, and elicit from students and clinical faculty specific suggestions for improvement in these areas. The ACCE will forward these suggestions to the Program Director, and discuss possible solutions to improve student performance in the clinic and to meet Program objectives.
The CPI Student Performance Summary form is also used to determine whether 100% of students achieve 90% - 100% ratings on all CPI items by the end of PT 250. The ACCE collects data from the CPI Student Performance Summary forms annually, after completion of PT 250, to determine if the target is being met for the cohort. If this target is not achieved, the ACCE will identify specific items on which the students are repeatedly rated below the target, and elicit from students and clinical faculty specific suggestions for improvement in these areas. The ACCE will forward these suggestions to the Program Director, and discuss possible solutions to improve student performance in the clinic and to meet Program objectives.

- The clinical education courses are of appropriate duration and length to meet the goals and objectives of the clinical education program

Scores on section VII of the Program Personnel Program Resource Survey, and on section

IV of the Student Program Resource Survey are used to determine whether clinical faculty and students feel that the length of clinical courses are appropriate for meeting the objectives for the clinical courses. The goal is that 100 percent of faculty and students rate the clinical education program at 3 or above (on 5 point scale). Ratings below 3 will trigger action by the ACCE. Responses are collected from clinical faculty during PT 240, and from students in the last week of their program (before graduation). Results are tallied on an annual basis in preparation of the report to the Advisory Board at the summer meeting (June-July).

Data demonstrating whether or not the target of 80% of students meeting the course objectives for each clinical course are also used in determining whether clinical education courses are of sufficient duration to meet the objectives of the clinical education program. The mechanism for data collection and analysis is described above.

- The number and variety of clinical education sites is sufficient to meet the goals and objectives of the clinical education courses in the curriculum

Scores on section VII of the Program Personnel Program Resource Survey and on section IV of the Student Program Resource Survey are used to determine whether clinical faculty and students believe that the number and variety of clinical sites are appropriate for meeting the objectives for the clinical courses. The goal is that 100 percent of faculty and students rate the clinical education program at 3 or above (on 5 point scale). Ratings below 3 will trigger action by the ACCE. Responses are collected from clinical faculty during PT 240, and from students in the last week of their program (before graduation). Results are tallied on an annual basis in preparation of the report to the Advisory Board at the summer meeting (June-July).

The ACCE enters data on the number and type of clinical rotations offered by clinical sites into a spreadsheet annually after the requested return date for the Clinical Slot Availability Form (April 30 each year). The goal for the number of sites is that 125% of needed sites will be available to students enrolled or expected to be enrolled. The goal for variety of sites is that at least one-third of needed slots will be inpatient rotations, and at least one-third will be outpatient experiences. If these thresholds are not met, the ACCE will pursue additional clinical slots from contracted clinical sites, or additional contracted clinical sites, in order to meet the goals of the Program.

The ACCE also collects data on the types of clinical experiences completed by each student, and inputs this data in a spreadsheet when first year clinical rotation sites are assigned. This spreadsheet is reviewed prior to assigning second year clinical rotation sites during the fall semester, in order to achieve the goal that 100% of students are assigned to at least one inpatient and one outpatient rotation, and are also assigned to different treatment settings for their terminal rotations. The ACCE will assign students to rotations needed in order to achieve these targets.

- Communication with the clinical education sites is sufficient and effective

CI/CCCE Assessment of ACCE is used to determine whether the ACCE is communicating

appropriately with the clinical faculty. This instrument is filled out by either or both the CI and CCCE at the end of Clinical Experiences II and IV. The ACCE tallies responses as part of the outcomes report completed after each clinical course, and reviews results annually in preparation of the report for the summer Advisory Board meeting. The goal is that the ACCE receives 100% ratings at 3 or above (on 5 point scale). Ratings below 3 will trigger action by the ACCE. The ACCE will seek further feedback from clinical faculty if necessary to clarify the needs of the site and determine how the ACCE may better meet those needs.

7. **4.2. The program provides evidence of the implementation of the assessment process, provides examples of how collected data stimulate changes in the education program, provides examples of changes that are made, and provides evidence that changes made result in program enhancement.**

After review of the Self-study Report, the Visit Report and the Visit Report with Institution Comments, the Commission acknowledges the program's established comprehensive assessment

plan. In the Compliance Report, provide evidence of implementation of the assessment plan. Provide examples of how collected data stimulated changes in the program, provide examples of those changes, and provide evidence that changes made resulted in program enhancement.

INSTITUTION COMMENTS:
Please refer to the completed Outcomes Assessment Documentatino Grid for any implementations of change.

Examples of assessment data resulting in change:

1. PT 215: Due to low IDEA scores, PT 215 was taught this fall based on a Team Based Learning approach and also involved more hands on experience with certain patient populations. When we receive the next IDEA results in mid-February 2011, we can determine the extent to which this change enhanced overall course ratings by students.

2. PT 100: Data collected for this course resulted in change and enhancement of the course experience. Student comments on IDEA forms reported that observations weren't overly helpful. Feedback from clinical faculty indicated that students were not benefitting optimally from clinical observation, and would be better served if they gained academic knowledge that could be applied in a hands-on clinical experience. After discussion with the PTA Advisory Board, the clinical portion of PT 100 has been removed. The 16 hours of observation will be absorbed in PT 200 for 2011 and will be moved to PT 180 in 2012.

3. PT 180: One outcome target for clinical courses is that 80% of students meet each clinical objective. This target was not achieved in PT 180, as one objective was met by only 50% of students. Additional measurement tools were added to PT 180 to assess achievement of the objective that was below target. In particular, a journal question was added to assess performance of this objective. The course objective was also added to the Clinical Skills List to provide another mechanism for Clinical Instructor feedback regarding student performance. The second cohort met this objective.

The ACCE tends to have difficulty gaining slots for this rotation due to it's short duration (3 full days and 2 half days a week for two weeks). The clinical observation hours from PT 100 will be moved to PT 180. This will provide the students increased patient contact opportunities. This change will be implemented for the 2012 clinical rotations due to the fact that clinical slot requests have already been finalized and dates for clinical rotations have been set for 2011.

4. Several program policies have been modified including: electronic communication, program progression, clinical site assignment, and lab use. Program progression was discussed in #5 criterion 3.2.6 on pages 9 and 10 of this document.

ELECTRONIC COMMUNICATION POLICY

PURPOSE:
To ensure the privacy and appropriateness of all communications with the College.

POLICY:
All students are required to utilize the Methodist College e-mail system for electronic communication with College/Program faculty and personnel. It is strongly encouraged that students check their e-mail daily as instructors use this for primary communication outside of class. Students are responsible for content of their email communication. Inappropriate material or material in bad taste sent may be subject to disciplinary action as determined by Program Director. This includes any disrespectful or denigrating comments about another person.

Electronic Communication Etiquette: Students are to use appropriate and professional etiquette when communicating with College faculty or personnel, or any representative of the Program including clinical instructors. This includes, but is not limited to:

- Appropriate salutation or greeting by name (i.e.- Hello, Dr. Smith, Hi Jane, etc)
- Full sentences with appropriate grammar —(no text-message shortcuts or jargon)
- Closure- (i.e.- Thanks, Mary; Regards, Tom)

Resources for proper composition of an e-mail may be found at:
http://owl.english.purdue.edu/owl/resource/636/01/

LAB USE

The use of PTA equipment is restricted to the PTA Program faculty and the students enrolled in the PTA Program. Use of equipment by any other nursing or allied health students is expressly prohibited and may result in disciplinary action.

PTA students have access to the lab anytime the College is open. Students must check out a key from the front desk by showing their student ID.

Students are expected to conduct themselves as though they are in the clinical setting.

Inappropriately loud talking or joking, use of foul language, or other disruptive behavior will cause the student to be dismissed from the lab session and will result in a disciplinary action.

Students are only authorized to use modality equipment or work with volunteers in the presence of an instructor. It is advised that the student utilize open lab time when an instructor is scheduled to oversee practice.

Students may practice manual and therapeutic techniques with volunteers over the age of 18 years of age without being under the direct supervision of an instructor in the lab.

All volunteers must sign an informed consent that indicates that the sole purpose of the experience is for education and instruction. This form must be on file with the instructor prior to the volunteer being treated. Refer to Informed Consent Policy for more information.

When a volunteer is to be treated, the student will introduce him or herself to the volunteer and explain the procedure. The student will conduct themselves as they would in the clinical site. All volunteers shall be treated with the same respect and courtesy as patients in the clinical setting.

Students may have a beverage and food in the lab but must comply with the following:
A. All food must be in a covered container or to-go box
B. All beverages (pop, coffee, juice, etc.) must be covered.
C. At no time should there be food or drink by computers or modality equipment.
D. All food/drink must be disposed of prior to leaving the lab.
E. These privileges are ultimately at the discretion of the program faculty and may be altered.

CLINICAL SITE ASSIGNMENT

PURPOSE:
The program utilizes multiple clinical affiliates to ensure that the student receives a well-rounded experience in providing patient care. The purpose of this policy is to familiarize the student with the process for assigning clinical site rotations.

POLICY:
Each student will be assigned to a variety of clinical sites to provide access to direct patient care. Students are required to complete at least one full-time rotation that includes inpatient treatment experiences and one full-time experience providing outpatient care. The use of multiple clinical settings allows students to obtain technical proficiencies required of the entry level PTA.

In order to obtain a variety of clinical experiences, sites outside of the Omaha metro area are utilized for full-time clinical rotations. Each student is required to complete one full-time clinical rotation at a site outside of the Omaha metro area.

5. PT 230: This course has been created as a combination of our PT 260 Medical Ethics and PT 238 Issues in Billing & Health Care Administration courses. Input from the course instructor as well as data from the student IDEA evaluations, revealed a significant overlap of information in the two courses. It was also determined that the information would better serve the students if it was delivered just prior to their terminal clinical experiences. The proposal of the course combination was presented to the Advisory Board at the August 2010 meeting and unanimously agreed upon. This will also eliminate the students taking a night course during their summer clinical rotation (PT 200) and will allow them to attend clinical sites outside the Omaha, Nebraska, metropolitan area.

6. Data from the student resource survey reflected low satisfaction with the seating within the PTA lab. To alleviate this issue, PTA course lectures will be held in the classroom adjacent to the lab.

7. Core Faculty Development Plan- Three items were at the cut score of "2" on the annual contribution review. These items consisted of: 1) encourages students through course activities, 2) incorporate effective learning strategies and 3) accurately advise students. The faculty's IDEA scores were also below the threshold of 45-55%. A faculty development plan was created by the Program Director addressing these concerns consisting of assigning a mentor to help with effective learning strategies (specifically Team Based Learning), peer review(s) by a senior faculty member, meeting with the Program Director to review advising guidelines and utilizing tools available on the IDEA web site to address areas that were found to need improvement.

Consultative Comments:

1. The Commission recommends that the program and institution work together to ensure consistency in non-discrimination statements across various media formats and other publications where the information is disclosed. (**Criterion 1.1.4**)

2. Review of the Visit Report and the Visit Report with Institution Comments state that photographs of students may be used for public relations unless a student notifies the college in writing of their desire not to have images or likenesses used. The student is "informed" by a statement in the College Handbook and the onus is on the student to refuse use. While this may be construed as "informed consent", there would seem to be a possibility or probability that not all students would read that policy; and therefore may not be fully informed and given the opportunity to consent. (The Program web page contains a video link "Watch our Students in Action") Additionally, although the PTA program does not currently utilize videotaping, photography or imaging of students, the program is urged to consider the plethora of possibilities for adding instructional activities that would involve use of media such as videotaping lab sessions or lab examinations, or other projects and instructional activities. The Commission recommends that a policy and procedure that includes a signed consent form for use in the PTA program be implemented and adhered to by the program. (**Criterion 1.1.6.2**)

3. The Commission notes that objective #2 in PT200 addresses the implementation of the plan of care by the PTA student under the supervision of the PT and CI. A similar objective would be very appropriate but is not included in PT240. The Commission suggests that the program consider adding this objective to PT240. (**Criterion 3.2.2**)

4. The program may wish to consider whether a threshold of 100% congruency/alignment between program and institutional policies is realistic. This standard could restrict the program from implementing standards (grading, attendance, readmission etc.) that are higher than those of the College. (**Criterion 4.1.2**)

Commendation:

The Course Outcomes and Objectives Form (COOF) submitted by the program is an exceptional example of how programs should use and complete the document and gap analysis for evaluation and documentation purposes. Objectives are clearly written; progression is shown with the selected objectives and method of test is easily verified. (**Criterion 3.2.3**)

EXHIBIT 6

Commission on Accreditation
Of Allied Health Education Programs

35 East Wacker Drive, Suite 1970
Chicago, Illinois 60601-2208
Phone: 312-553-9355 Fax: 312-553-9616
Email: mail@caahep.org
http://www.caahep.org

September 19, 2005

Dennis Joslin, PhD
President
Nebraska Methodist College
515 S. 26th Street
Omaha, NE 68105-4101

Dear President Joslin:

The Commission on Accreditation of Allied Health Education Programs (CAAHEP) is pleased to inform you of its vote on September 16, 2005, to award **continuing** accreditation to the certificate medical assisting program at Nebraska Methodist College in Omaha, Nebraska.

The recent peer review conducted by the Curriculum Review Board of the American Association of Medical Assistants Endowment (CRB-AAMAE) and the Commission's Board of Directors recognizes the program's substantial compliance with the nationally established accreditation standards. The next comprehensive evaluation of the program, including an on-site review, is scheduled to occur no later than April 2015.

The following citations merit your institution's attention and resolution, in order to strengthen the program's compliance with the Standards (For a complete copy of the Standards, check the CAAHEP website at www.caahep.org, or call the office at 312-553-9355):

I.D.1.a. Fair Practices - Advertising

Announcements and advertising must accurately reflect the program offered.

Program brochures and catalog do not use the official wording provided by CAAHEP.

Submit copies of the college catalogue or official catalogue addendum, and all promotional literature used by the institution and/or program that accurately describe the medical assisting program and its accreditation status as follows:

1. In at least one of its comprehensive publications customarily used to officially convey institutional information, it must state:

"The (name of program including campus and/or award level if applicable) is accredited by the Commission on Accreditation of Allied Health Education Programs (www.caahep.org) upon the recommendation of the Curriculum Review Board of the American Association of Medical Assistants Endowment (AAMAE).

Commission on Accreditation of Allied Health Education Programs
35 East Wacker Drive Suite 1970
Chicago, IL 60601-2208
312-553-9355"

2. Provided the requirements of paragraph 1 have been met, when the sponsor additionally publishes the accreditation status of the program, it must state:

"The (name of program including campus and/or award level if applicable) program is accredited by the Commission on Accreditation of Allied Health Education Programs (www.caahep.org) upon the recommendation of the Curriculum Review Board of the American Association of Medical Assistants Endowment (AAMAE)."

3. Provided the requirements of paragraph 1 have been met, the sponsor may choose, but is not required, to include the program accreditation statement in small publications such as newspaper ads, flyers, pamphlets, etc.

II.A.5. Evaluation Methods of Entry-Level Competencies for the Medical Assistant

The evaluation method must ensure and document achievement of the competencies of the entry-level Medical Assistant

II.A.5.b. Curriculum - Clinical Competencies:

(3) Diagnostic Testing
(i) Perform respiratory testing

Pulse oximetry is performed by the students but does not constitute respiratory testing (e.g.) spirometry, peak flow and/or pulmonary functions.

Submit four different students' completed/graded evaluation tools (e.g., check-off sheets, tests, projects) that are used to document successful achievement of the competency listed above as not being documented.

CAAHEP requests that two copies of a report be sent to the **CRB at 20 North Wacker Drive, Suite 1575, Chicago, IL 60606** by **March 1, 2006,** indicating the manner in which these citations have been resolved.

Failure to respond satisfactorily to the citations above may result in a withdrawal of accreditation.

The accreditation standards are established by CAAHEP and the American Association of Medical Assistants.

The commission recognizes you and your colleagues for your commitment to continuous quality improvement in education, as demonstrated by your participation in program accreditation.

Sincerely,

Gregory P. Paulauskis, PhD
President

Cc: Pat Sullivan, MA, Associate Dean of Health Professions
Marcia K. Franklin, RN, BSN, Medical Assisting Program Director
Rebecca L. Gibson, MSTE, ASPT, CMA, CRB-AAMAE Chair
Cathy Kelley-Arney, CMA, MLT(ASCP), BSHS, CRB-AAMAE Co-Vice Chair
Robin Snider-Flohr, EdD, RN, CMA, CRB-AAMAE Co-Vice Chair
Judy A. Jondahl, MS, RN, CLNC, Director of Accreditation
Donald A. Balasa, JD, MBA, Executive Director and Legal Counsel

EXHIBIT 7

Accrediting Agency 5

The Respiratory Care program is accredited by:

Commission on Accreditation for Respiratory Care (CoARC).
1248 Harwood Road
Bedford, TX 76021-4244
(817) 283-2835
Contact person: Gregory Paulauskis

Is this agency recognized by the U.S. Department of Education? [x] Yes [ ] No

Accrediting Agency 6

The Surgical Technology Program is accredited by:

Commission on Accreditation of Allied Health Education Programs (CAAHEP) upon the recommendation of the Accreditation Review Committee on Education in Surgical Technology (ARC/STSA.)

CAAHEP:
1361 Park Street
Clearwater, FL 33756
(727) 210-2350
Contact Person: Sondra Flemming

ARC/STSA
6 W. Dry Creek Circle, Suite #110
Littleton, CO 80120
(303) 694-9262
info@arcstsa.org

Is this agency recognized by the U.S. Department of Education? [x] Yes [ ] No

Accrediting Agency 7

The Diagnostic Medical Sonography Program (Vascular & Cardiac) is accredited by:

Commission on Accreditation of Allied Health Education Programs (CAAHEP) upon the recommendation of the Joint Review Committee on Education in Diagnostic Medical Sonography.

CAAHEP:
1361 Park Street
Clearwater, FL 33756
(727) 210-2350
Contact Person: Gregory Paulauskis

JRC/DMS:
6021 University Blvd., Suite 500

Ellicott City, MD 21043
(443) 973-3251
Contact Person: Cindy Weiland or Gerry Magat

Is this agency recognized by the U.S. Department of Education? [x] Yes [ ] No

Accrediting Agency 8

The Radiologic Technology Program is accredited by:

Joint Review Committee on Education in Radiologic Technology (JRCERT).
20 N. Wacker Drive, Suite 2850
Chicago, Illinois 60606-3182
(312) 704-5300
www.jrcert.org.
Contact Person: Barbara Dehner

Is this agency recognized by the U.S. Department of Education? [x] Yes [ ] No

1361 Park Street
Clearwater, FL 33756
Phone: 727-210-2350 / Fax: 727-210-2354
www.caahep.org

September 18, 2006

Dennis Joslin, PhD
President
Nebraska Methodist College
The Josie Harper Campus
720 North 87th Street
Omaha, NE 68114

Dear President Joslin:

The Commission on Accreditation of Allied Health Education Programs (CAAHEP) is pleased to inform you of its vote on September 15, 2006 to award **continuing accreditation** to the Advanced level Respiratory Therapy Program at Nebraska Methodist College.

The recent peer review conducted by the Committee on Accreditation for Respiratory Care (CoARC) and the commission's Board of Directors recognizes the program's substantial compliance with the nationally established accreditation Standards. The next comprehensive evaluation of the program and an on-site review is scheduled to occur no later than **2015**.

The following citation merit[s] your institution's attention and resolution in order to strengthen the program's compliance with the Standards (for a copy of the Standards, check the CAAHEP website at www.caahep.org, or call the office at 727-210-2350):

Standard IV. Student and Graduate Evaluation/Assessment
B. Outcomes Assessment
2. Outcomes Reporting
The program must periodically submit its goal(s), learning domains, evaluation systems (including type, cut score, validity, and reliability), outcomes, its analysis of the outcomes and an appropriate action plan based on the analysis.

Citation:
The program did not clearly demonstrate an analysis of its programmatic outcomes data, including cut scores and action plans to address deficiencies noted.

Corrective Action:
It is requested that the program submit documentation in the form of a 2005 Report of Current Status (2005 Annual Report) to provide additional data further assessing program outcomes. This report should also include a detailed analysis of data collected and appropriate action plans developed which includes the input by the Advisory Committee. A schedule for periodic review of action plans should be developed and included in this report. The program should focus on the Written Registry & Clinical Simulation exam results, which should include documented cut scores, results, analysis, and action plans where necessary.

Effective April 2005, in an attempt to provide an additional "outcomes" measure for programs to demonstrate effectiveness at the RRT level, the NBRC is providing a revised **"Comprehensive/Secure Written Registry Self-Assessment Exam"** to be used by programs as an alternate, cognitive "outcomes" measure when programs fall below Threshold on RRT Credentialing Success.

Upon review of your program's Annual Report and deviation(s) from the Thresholds for RRT Credentialing Success, your program should implement the above-mentioned NBRC Exam now that it is available. Utilization of this new NBRC Exam for your classes prior to graduation will provide a mechanism for your program to demonstrate its effectiveness at training to the RRT level when the program's Credentialing Success Threshold has not been achieved. Please include the SAE results in future CoARC Annual Reports.

The required Progress Report addressing the above issue must be sent **"electronically"** to the Executive Office on or before **October 5, 2006**. Please e-mail your Progress Report to kattie@heasc.org. The Committee will evaluate the program's progress at its November, 2006 meeting.

Failure to respond satisfactorily to the citation(s) above may result in a withdrawal of accreditation

The accreditation standards are established by CAAHEP and The American Association for Respiratory Care, AARC; The American College of Chest Physicians, ACCP; The American Society of Anesthesiologists, ASA; and The American Thoracic Society, ATS.

The commission commends you and your colleagues for your commitment to continuous quality improvement in education, as demonstrated by your participation in program accreditation.

Sincerely,

Gregory Paulauskis, PhD
President

cc: Ken Ryalls, PhD, Dean
Christine Hamilton, MA, RRT, Program Director
David W. Chang, EdD, RRT, CoARC Chair
William W. Goding, MEd, RRT, CoARC Interim Executive Director

CoARC

Commission on Accreditation for Respiratory Care

CERTIFICATE OF ACCREDITATION

Date of Issue: November 12, 2009

This Certificate of Accreditation is hereby issued by the Commission on Accreditation for Respiratory Care (CoARC), in accordance with the Accreditation Standards for the Profession of Respiratory Care and CoARC Accreditation Policies and Procedures.

Nebraska Methodist College
Respiratory Care Program
Omaha, NE
AS & BS Degree
CoARC ID#: 200368

This Certificate of Accreditation is valid until **9/30/2016**. The program will be notified of the next comprehensive evaluation approximately two (2) years prior to the date above.

Shelley Mistor
CoARC Chair

CoARC Executive Director

Commission on Accreditation
OF ALLIED HEALTH EDUCATION PROGRAMS
35 East Wacker Drive, Suite 1970
Chicago, Illinois 60601-2208
312.553.9355 / Fax 312.553.9616
E-mail: caahep@caahep.org
http://www.caahep.org

COPY

September 15, 2004

Dennis Joslin, PhD
President
Nebraska Methodist College
8501 West Dodge Road
Omaha, NE 68114

Dear President Joslin:

The Commission on Accreditation of Allied Health Education Programs (CAAHEP) is pleased to inform you of its vote on September 10, 2004 to award continuing accreditation to the surgical technology program at Nebraska Methodist College in Omaha, Nebraska.

The recent peer review conducted by the Accreditation Review Committee on Education in Surgical Technology (ARC-ST) and the commission's Board of Directors recognizes the program's substantial compliance with the nationally established accreditation standards. The next comprehensive evaluation of the program, including an on-site review is scheduled to occur in 2014.

The accreditation standards are established by CAAHEP and American College of Surgeons (ACS) and the Association of Surgical Technologists (AST).

The commission recognizes you and your colleagues for your commitment to continuous quality improvement in education, as demonstrated by your participation in program accreditation.

Sincerely,

Sondra Flemming
President

Cc: Shirley Schritzfield, PhD, VP of Academic Affairs
Michael Freel, Program Director
Jeffrey Ware, CST/CFA, ARC-ST Chair
Paul Price, CST, MBA, ARC-ST Executive Director

Commission on Accreditation
OF ALLIED HEALTH EDUCATION PROGRAMS

The Commission on Accreditation of Allied Health Education Programs certifies that the

Diagnostic Medical Sonography Program-Vascular

Nebraska Methodist College of Nursing and Allied Health
Omaha, Nebraska

has completed an accreditation review and is judged to be in compliance with the nationally established standards

this 16th day of March, 2007.

Gregory P. Paulauskas
President, Board of Directors

Kerry E. Weinberg
Chair, Committee on Accreditation

Commission on Accreditation
OF ALLIED HEALTH EDUCATION PROGRAMS

The Commission on Accreditation of Allied Health Education Programs certifies that the

Diagnostic Medical Sonography Program-Cardiac

Nebraska Methodist College of Nursing and Allied Health
Omaha, Nebraska

has completed an accreditation review and is judged to be in compliance with the nationally established standards this 16th day of March, 2007.

Gregory P. Paulauskas
President, Board of Directors

Kerry E. Weinberg
Chair, Committee on Accreditation

Joint Review Committee on Education in Radiologic Technology
20 N. Wacker Drive, Suite 2850
Chicago, IL 60606-3182
312.704.5300 • (Fax) 312.704.5304
www.jrcert.org

May 4, 2011

Dennis Joslin, Ph.D.
President and Chief Executive Officer
Nebraska Methodist College
720 North 87th Street
Omaha, NE 68114

RE: Program #0596
Previous Accreditation Status: Pending
Most Recent Site Visit: 03/11
Agenda: R-I

Dear Dr. Joslin:

The Joint Review Committee on Education in Radiologic Technology (JRCERT) appreciated the opportunity to evaluate the pending associate degree radiography program sponsored by Nebraska Methodist College. The JRCERT is the only agency recognized by the U.S. Department of Education for the accreditation of traditional and distance delivery educational programs in radiography, radiation therapy, magnetic resonance, and medical dosimetry. Specialized accreditation awarded by the JRCERT offers institutions significant value by providing peer evaluation and by assuring the public of quality professional education in the radiologic sciences.

The initial accreditation status of the program was considered at the April 29, 2011 meeting of the Joint Review Committee on Education in Radiologic Technology. The program was evaluated according to the **Standards for an Accredited Educational Program in Radiography (2011)**. The JRCERT awards:

INITIAL ACCREDITATION FOR A PERIOD OF EIGHT YEARS.

The maximum duration that may be awarded by the Joint Review Committee on Education in Radiologic Technology in this category is eight years.

An interim report will be required. The projected date for submission of the interim report is the First Quarter of 2015. The JRCERT will provide program officials adequate notice of the due date for submission of the interim report. Based on the interim report, the JRCERT will determine if the accreditation award of 8 years will be maintained or reduced and the continuing accreditation process expedited.

The next site visit is tentatively scheduled for the First Quarter of 2019. The JRCERT Board of Directors recognizes that the program has a strategy for assessing program outcomes. Implementation of the assessment plan and analysis of program outcomes to identify priorities for improvement must be reflected in the program's next self-study report.

JRCERT records will be updated to identify the program capacity as 56. Consistent with JRCERT Policy 11.400, the JRCERT requires programs to submit a request and rationale for an increase in program capacity and requires JRCERT approval prior to implementation.

In compliance with the requirements of the United States Department of Education, if an institution or program elects to make public disclosure of its accreditation status, program publications must state that the program is accredited by:

The Joint Review Committee on Education in Radiologic Technology
20 North Wacker Drive, Suite 2850
Chicago, Illinois 60606-3182
(312) 704-5300

The program is advised that consistent with JRCERT Policy 11.600, the JRCERT reserves the right to conduct unannounced site visits of accredited programs. The sponsoring institution would be responsible for the expenses of any on-site evaluation.

The attachment to the program director's copy of this letter identifies the clinical total capacity, as provided by the program, for the institutions recognized as clinical education settings. It is the responsibility of the program to provide a copy of this letter to appropriate personnel at the clinical education settings.

The Joint Review Committee on Education in Radiologic Technology Directors and staff wish you and the program faculty continued success in your efforts to provide a quality educational program. If we can be of further assistance, do not hesitate to contact us.

Sincerely,

Barbara L. Dehner, M.S.R.S., R.T.(R)(M)(CT), FAEIRS
Chair

BLD/JSB/jm

copy:	Program Director:	Jane C. Sims, M.S.Ed., R.T.(R)(M)
	Associate Dean:	Patricia A. Sullivan, Ph.D., R.T.(R), R.D.M.S.
	Site Visitors:	Annette Williamson Ferguson, M.S.R.S., R.T.(R)
		Lisa F. Schmidt, Ph.D., R.T.(R)(M)
	Nebraska:	Carol Grell
	AMA	
	ARRT	
	Accreditation Services Coordinator	

EXHIBIT 8

TRANSCRIPT REQUEST FORM

NEBRASKA METHODIST COLLEGE
THE JOSIE HARPER CAMPUS
Registrar's Office
720 N. 87th Street
Omaha, NE 68114
Phone: (402) 354-7231
Fax: (402) 354-7020

Official transcripts will only be issued upon written request of the student. To request your transcript, please complete this form and submit it to the Registrar's Office either by mail, fax or in person. There is no charge for this service. Transcripts will be issued only for those who are in good financial standing with the College.

Name: _____
Last First Middle Previous/Maiden

Mailing Address: _____ City: _____ State: _____ Zip: _____

Telephone: (_____)_____ SSN or Student ID#: _____ Birth Date: ____/_____/_____

First year attended _____

Last year attended _____

[ ] Graduated _____
Grad Date

[ ] Currently enrolled

Check one:
[ ] Send now
[ ] Send at end of term
[ ] Will pick up _____
[ ] I authorize _____ to pick up a copy of my transcript in a sealed envelope.

Reason transcript is needed:
[ ] Employment/job application
[ ] Scholarship application
[ ] Certification/licensure
[ ] Submit to another institution
[ ] Personal use
[ ] Other _____

Release transcript to: (Print name of person, office, institution or organization and include complete mailing address.)

_____

_____

_____

_____

_____

_____

Student's Signature: _____ Date: _____

Note: Student assumes full responsibility for furnishing complete and correct address. When a transcript is sent by this office to a third party at the student's request, it becomes the property of the person, office, institution, or organization receiving it.

For office use only:
Date requested: _____ Date sent: _____

Form updated 7/8/09

EXHIBIT 9

State	Agency Name	Address	Contact Person	Telepone
Arizona	Arizona State Board for Private Post Secondary Education	1400 W. Washington Street, Room 260, Phoenix, AZ 85007	Keith Blanchard	602-542-5769
California	Bureau for Private Post Secondary Education	2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833	Joanne Wenzel	916-431-6905
Colorado	Colorado Department of Higher Education	1560 Broadway, Suite 1600, Denver, CO 80202	Heather DeLange	303-866-2723
Connecticut	Office of Financial and Academic Affairs for Higher Education	61 Woodland Street, Hartford, CT 06105-2326	Patricia Santoro	860-947-1822
Delaware	Delaware Department of Education	35 Commerce Way, Suite 1, Dover, DE 19904	Wayne Barton	302-857-3388
Florida	Florida Department of Education	325 W. Gaines Street, Suite 1414, Tallahassee, FL 32399-0400	Samuel Ferguson	850-245-3200
Georgia	Nonpublic Postsecondary Education Commission	2082 East Exchange Place, Suite 220, Tucker, Georgia 30084-5305	William Crews	770-414-3300
Hawaii	*HAWAII DOES NOT APPROVE OR AUTHORIZE ACCREDITED POSTSECONDARY INSTITUTIONS			
Idaho	State Board of Education	650 West State Street, Suite 307, Boise, ID 83720-	Harvey Lyter	208-332-1587
Illinois	Illinois Board of Higher Education	431 East Adams Street, 2nd Floor, Springfield, IL	Bob Blankenberger	217-557-7350
Indiana	Indiana Commission for Higher Education	4020 West Washington Street, W462, Indianapolis, IN 42604	Ross Miller	317-232-6716
Kansas	Kansas Board of Regents	100 SW Jackson, Ste 520, Topeka, KS 66612-1368	Katie Geier	785-296-2410
Kentucky (limited programs)	Council On Postsecondary Education	1024 Capital Center Drive, Suite 320, Frankfurt, KY 40601	Sarah Levy	502-573-1555, ext.350
Louisiana (limited programs)	Board of Regents	1201 North 3rd Street, Suite 6-200, Baton Rouge,	Nancy Beall	225-342-4253
Maine	Maine Department of Education Office of Higher Education	*NO PHYSICAL PRESENCE IN ME, THEREFORE, ME DOES NOT REGULATE		

Maryland (limited programs)	Maryland Higher Education Commission	839 Bestgate Rd, Suite 400, Annapolis, MD 21401-3013	Sue Blanshan	410-260-4500
Michigan	Department of Licensing and Regulatory Affaris	2501 Woodlake Circle, Okemos, MI 48864	Michael Beamish	517-241-6806
Missouri	Missouri Department of Higher Education	PO Box 1469, Jefferson City, MO 65102	Leroy Wade	573-751-2361
Montana	Montana Board of Regents of Higher Education	*BECAUSE NMC IS ACCREDITED BY HLC, IT IS TREATED AS ACCREDITED IN MT AND, THEREFORE, RECOGNIZED AS COMPLIANT IN MT.		
New Hampshire	NH Department of Education - Division of Higher Education	101 Pleasant Street, Concord, NH 03301-3860	Patricia Edes	603-271-0257
New Jersey	NJ Commission on Higher Education	PO Box 542, Trenton, NJ 08625-0542	Iris Duffield	609-292-2955
New York	Office of College and University Evaluation New York State Education Department	New York State Education Department, 5 North Mezzanine, Albany, NY 12234	Ellen Zunon	518-474-2593
Nevada (limited programs)	Commission on Postsecondary Education	3663 East Sunset Road, Ste 202, Las Vegas, NV 89120	David Perlman	702-486-7330
North Carolina (limited programs)	The University of North Carolina	910 Raleigh Road, Chapel Hill, NC 27514-26888	Maggie Ryan	919-962-1000
North Dakota	State Board for Career and Techinical Education	600 East Blvd. Ave #270, Bismarck, ND 58505-0610	Debra Huber	701-328-5570
Ohio (limited programs)	Board of Regents	30 East Broad Street, 36th Floor, Columbus, OH 43215-3414	Shane DeGarmo	614-387-1215
Oklahoma	Oklahoma State Regents for Higher Education	655 Research Parkway, Suite 200, Oklahoma City, Oklahoma 73104-3603	Gina M. Wekke	405-225-9100
Pennsylvania	Department of Education	3333 Market Street, Harrisburg, PA 17126-	L. Jill Hans	717-787-5041
Rhode Island	Office of Higher Education	80 Washington Street, Providence, RI 02903	Deanna Velletri	401-456-6010
South Carolina	Nonpublic Postsecondary Institution Licensing	1333 Main Street, Suite 200, Columbia, SC 29201	Renea Eshleman	803-737-2281
South Dakota	Secretary of State	500 East Capitol Ave, Pierre, SD 57501-5070	Judy Larson	605-773-3537

Tennessee (limited programs)	TN Higher Education Commission	404 James Robertson Parkway, Suite 1900, Nashville, TN 37243	Nicholas Cook	615-253-8874
Texas	Texas Higher Education Coordinating Board	1200 East Anderson Lane, Austin, TX 78752	Fred White	512-427-6238
Vermont	Vermont Department of Education	120 State Street, Montpelier, VT 05620	Cathy Hilgendorf	802-828-5402
Washington (limited programs)	Washington Student Achievement Council	PO Box 43430, Olympia, WA 98504-3430	Karen Oelschlager	360-753-7869

EXHIBIT 10

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Financial Statements and Supplemental Data

December 31, 2011 and 2010

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 1000
1000 Walnut Street
Kansas City, MO 64106-2162

Independent Auditors' Report

The Board of Directors
Nebraska Methodist Health System, Inc.:

We have audited the accompanying consolidated balance sheets of Nebraska Methodist Health System, Inc. and affiliates (the Health System) as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Health System's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Nebraska Methodist Health System, Inc. and affiliates as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The 2011consolidating information included in the accompanying exhibits is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG LLP

Omaha, Nebraska
April 16, 2012

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Balance Sheets

December 31, 2011 and 2010

(Amounts in thousands)

Assets		2011	2010
Current assets:			
Cash and cash equivalents	$	66,327	33,565
Patient accounts receivable, less allowance for uncollectible accounts of $19,420 in 2011 and $11,521 in 2010		86,841	79,523
Contributions receivable		2,364	2,381
Other receivables		30,342	24,385
Inventories		13,124	11,924
Prepaid expenses		7,008	5,954
Total current assets		206,006	157,732
Investments and assets limited as to use:			
Long-term investments including restricted investments of $21,318 in 2011 and $30,610 in 2010		166,071	176,272
Securities on loan		696	2,227
Construction funds		3,259	5,953
Bond trust fund investments		16,178	16,575
Total investments and assets limited as to use		186,204	201,027
Property and equipment:			
Land		18,838	18,850
Land improvements		20,045	19,712
Buildings and improvements		472,565	456,555
Equipment and furnishings		418,315	396,081
Construction in progress		9,103	26,040
Total property and equipment		938,866	917,238
Less accumulated depreciation		500,166	462,387
Total property and equipment, net		438,700	454,851
Other assets:			
Contributions receivable		5,383	6,209
Deferred financing costs		6,781	7,089
Investments in unconsolidated entities		5,339	5,040
Other		6,264	18,419
Total other assets		23,767	36,757
Total assets	$	854,677	850,367

(Continued)

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Balance Sheets

December 31, 2011 and 2010

(Amounts in thousands)

Liabilities and Net Assets		2011	2010
Current liabilities:			
Current portion of long-term debt and capital lease obligations	$	7,116	3,555
Accounts payable		26,731	26,135
Accrued salaries, wages, and benefits		46,270	43,265
Other accrued liabilities		20,759	20,092
Collateral on securities loaned		915	2,457
Estimated third-party payor settlements		4,297	4,055
Total current liabilities		106,088	99,559
Liability for pension benefits		65,526	31,994
Other long-term liabilities		20,852	21,614
Conditional asset retirement obligation		6,625	5,882
Long-term debt and capital lease obligations, net of current portion		279,288	281,991
Total liabilities		478,379	441,040
Net assets:			
Unrestricted		344,567	368,034
Temporarily restricted		29,449	39,322
Permanently restricted		2,282	1,971
Total net assets		376,298	409,327
Total liabilities and net assets	$	854,677	850,367

See accompanying notes to consolidated financial statements.

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Statements of Operations

Years ended December 31, 2011 and 2010

(Amounts in thousands)

		2011	2010
Unrestricted revenues, gains, and other support:			
Patient service revenue, net of contractual adjustments and discounts	$	604,682	569,496
Provision for uncollectible accounts		(13,418)	(12,534)
Net patient service revenue		591,264	556,962
Sales of supplies, linen, and laundry services		6,905	7,433
Tuition, housing, and bookstore		11,817	10,208
Cafeteria, rental, and other		19,637	20,700
Total revenues, gains, and other support		629,623	595,303
Expenses:			
Salaries and wages		290,431	275,067
Employee benefits		72,060	70,287
Professional fees and purchased services		53,140	47,290
Supplies		98,193	98,864
Plant and utilities		39,395	37,307
Depreciation		45,513	42,676
Interest and amortization		14,210	8,300
Other		23,363	24,196
Total expenses		636,305	603,987
Operating loss		(6,682)	(8,684)
Other income (expense):			
Investment income		6,165	5,664
Income from unconsolidated entities		2,811	1,796
Loss on sale of property and equipment		(11)	(137)
Income taxes		(570)	(323)
Total other income, net		8,395	7,000
Excess (deficiency) of revenues over expenses		1,713	(1,684)
Other changes in unrestricted net assets:			
Change in net unrealized gains and losses on investments		(3,588)	10,548
Change in value of charitable remainder unitrusts and related annuities payable		(207)	(218)
Change in liability for pension benefits		(33,671)	(8,308)
Net assets released from restrictions for the purchase of property and equipment		12,131	10,454
Capital contributions		155	—
Total other changes in unrestricted net assets		(25,180)	12,476
Increase (decrease) in unrestricted net assets	$	(23,467)	10,792

See accompanying notes to consolidated financial statements.

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Statements of Changes in Net Assets

Years ended December 31, 2011 and 2010

(Amounts in thousands)

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Balance, December 31, 2009	$ 357,242	32,026	1,941	391,209
Deficiency of revenues over expenses	(1,684)	—	—	(1,684)
Restricted gifts and grants	—	19,427	30	19,457
Restricted interest and investment income	—	62	—	62
Change in net unrealized gains and losses on investments	10,548	365	—	10,913
Change in value of charitable remainder unitrusts and related annuities payable	(218)	(43)	—	(261)
Change in liability for pension benefits	(8,308)	—	—	(8,308)
Net assets released from restrictions for use in operations	—	(2,061)	—	(2,061)
Net assets released from restrictions for the purchase of property and equipment	10,454	(10,454)	—	—
Increase in net assets	10,792	7,296	30	18,118
Balance, December 31, 2010	368,034	39,322	1,971	409,327
Deficiency of revenues over expenses	1,713	—	—	1,713
Restricted gifts and grants	—	4,022	311	4,333
Restricted interest and investment income	—	73	—	73
Change in net unrealized gains and losses on investments	(3,588)	(143)	—	(3,731)
Change in value of charitable remainder unitrusts and related annuities payable	(207)	(4)	—	(211)
Change in liability for pension benefits	(33,671)	—	—	(33,671)
Net assets released from restrictions for use in operations	—	(1,690)	—	(1,690)
Net assets released from restrictions for the purchase of property and equipment	12,131	(12,131)	—	—
Capital contributions	155	—	—	155
Increase (decrease) in net assets	(23,467)	(9,873)	311	(33,029)
Balance, December 31, 2011	$ 344,567	29,449	2,282	376,298

See accompanying notes to consolidated financial statements.

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Statements of Cash Flows

Years ended December 31, 2011 and 2010

(Amounts in thousands)

		2011	2010
Cash flows from operating activities:			
Increase (decrease) in net assets	$	(33,029)	18,118
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:			
Depreciation		45,513	42,676
Amortization and accretion		553	201
Loss on sale of property and equipment		11	137
Impairment losses on investments		7	9
Income from unconsolidated entities		(2,811)	(1,796)
Provision for bad debts		13,418	12,534
Change in net unrealized and realized gains and losses on investments		2,316	(12,364)
Change in liability for pension benefits		33,671	8,308
Restricted gifts and grants		(4,333)	(19,457)
Restricted interest and investment income		(73)	(62)
Change in value of charitable remainder unitrusts and related annuities payable		211	261
Changes in assets and liabilities:			
Patient accounts receivable		(20,736)	(8,230)
Other receivables		3,313	(841)
Inventories		(1,200)	(1,718)
Prepaid expenses		(1,054)	(1,660)
Other assets		(349)	966
Accounts payable		596	(6,351)
Accrued salaries, wages, and benefits		3,005	(911)
Other accrued liabilities		667	1,611
Estimated third-party payor settlements		242	1,237
Conditional asset retirement obligation		(20)	—
Liability for pension benefits		(139)	(127)
Other long-term liabilities		(762)	(2,617)
Net cash provided by operating activities		39,017	29,924
Cash flows from investing activities:			
Purchases of investments and assets limited as to use		(102,016)	(148,966)
Sales of investments and assets limited as to use		112,974	179,727
Decrease in securities on loan		1,542	154
Collateral on securities loaned		(1,542)	(154)
Purchase of property and equipment		(29,328)	(78,067)
Proceeds from sale of property and equipment		478	676
Cash contributed to unconsolidated entities		(40)	(103)
Distributions from investments in unconsolidated entities		2,552	2,068
Net cash used in investing activities		(15,380)	(44,665)
Cash flows from financing activities:			
Issuance of long-term debt		31,166	12,235
Principal payments on long-term debt and capital lease obligations		(26,708)	(11,418)
Payment of debt issuance costs		(5)	(456)
Restricted gifts, grants, interest, and investment income		4,883	18,634
Change in value of charitable remainder unitrusts and related annuities payable		(211)	(261)
Net cash provided by financing activities		9,125	18,734
Net increase in cash and cash equivalents		32,762	3,993
Cash and cash equivalents, beginning of year		33,565	29,572
Cash and cash equivalents, end of year	$	66,327	33,565
Supplemental disclosures of cash flow information:			
Cash paid for interest	$	13,825	13,537
Cash paid for income taxes		261	655

Supplemental disclosures of noncash items:

During 2010, the Health System issued $30,000 of Health Facilities Revenue Bonds, of which, $3,600 and $6,338 were funded in 2011 and 2010, respectively.

See accompanying notes to consolidated financial statements.

(1) Organization

Nebraska Methodist Health System, Inc. and affiliates (the Health System) is a not-for-profit corporation providing a variety of healthcare, education, and related services to communities in Eastern Nebraska and Western Iowa. Healthcare services include inpatient, outpatient, emergency care, home healthcare, and physician services. The Health System is the sole corporate member of the following affiliated entities:

- The Nebraska Methodist Hospital
  - The Nebraska Methodist College of Nursing and Allied Health
  - Heart Services, LLC
- Jennie Edmundson Memorial Hospital
  - Jennie Edmundson Memorial Hospital Foundation
- Physicians Clinic, Inc.
- The Nebraska Methodist Hospital Foundation
- Shared Service Systems, Inc.
- Nebraska Methodist Hospital Self-Insured Trust
- Methodist Health Partners

(2) Summary of Significant Accounting Policies

The following is a summary of significant accounting policies of the Health System. These policies are in accordance with U.S. generally accepted accounting principles.

(a) Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of fixed assets, allowances for uncollectible accounts and contractual adjustments, estimated third-party payor settlements, liability for pension benefits, self-insurance liabilities, and other contingencies.

(b) Principles of Consolidation

The Health System consolidates all wholly owned affiliated entities and all entities in which it has greater than 50% ownership interest with commensurate control. All significant intercompany balances and transactions have been eliminated in consolidation.

(c) Fair Value Measurements

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, receivables, accounts payable, accrued liabilities, and estimated third-party payor settlements approximate fair value due to the short maturities of these instruments. The fair value of other financial and nonfinancial assets and liabilities is disclosed in note 7.

(d) Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less.

(e) Provision for Uncollectible Accounts

The provision for uncollectible accounts is based upon management's assessment of expected net collections considering the accounts receivable aging, historical collections experience, economic conditions, trends in healthcare coverage, and other collection indicators. Management periodically assesses the adequacy of the allowances for uncollectible accounts and contractual adjustments based upon historical write-off experience by payor category. The results of these reviews are used to establish the net realizable value of patient accounts receivable. The Health System follows established guidelines for placing certain patient balances with collection agencies. Self-pay accounts are charged against the allowance for uncollectible accounts at the time of transfer to the collection agency. Deductibles and coinsurance are classified as either third-party or self-pay receivables on the basis of which party has the primary remaining financial responsibility, while the total gross revenue remains classified based on the primary payor at the time of service. There are various factors that can impact collection trends, such as changes in the economy, which in turn may have an impact on unemployment rates and the number of uninsured and underinsured patients, the volume of patients through our emergency departments, the increased burden of copayments and deductibles to be made by patients with insurance, and business practices related to collection efforts. These factors continuously change and can have an impact on collection trends and our estimation process. Net patient accounts receivable have been adjusted to the estimated amounts expected to be collected and do not bear interest.

The Health System's self-pay write-offs in 2011 were $13,418 from uninsured and underinsured patients. The Health System does not maintain an allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors. Recent increases in the allowance for doubtful accounts are a result of more high deductible health plans and negative trends experienced in the collection of amounts from self-pay patients.

(f) Inventories

Inventories are stated at the lower of cost or market. Cost is determined principally using the first-in, first-out method.

(g) Investments and Assets Limited as to Use

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income (including realized gains and losses on investments, interest, and dividends) is included in excess (deficiency) of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from excess (deficiency) of revenues over expenses unless the investments are trading securities. The Health System periodically reviews its investment portfolio to determine whether any unrealized losses are other than temporary.

Impairments are charged to earnings and a new cost basis for the security is established. To determine whether impairment is other than temporary, the Health System considers whether it has the ability and intent to hold the investment until the market price recovers and considers whether evidence indicating the cost of the investment is recoverable outweighs evidence to the contrary. Evidence considered in the assessment includes reasons for the impairment, the severity and duration of the impairment, changes in value subsequent to year-end, forecasted performance of the investee, and the general market condition of the industry in which the investee operates. Based on this evaluation, the Health System recognized other-than-temporary impairment losses of approximately $7 in 2011 and $9 in 2010. Other-than-temporary impairment losses are included in investment income in the consolidated financial statements.

Assets limited as to use primarily include assets held by trustees under indenture agreements, donor-restricted gifts, and designated assets set aside by the Board of Directors (the Board) for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes.

(h) Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The estimated useful lives of property and equipment are as follows: land improvements - two to 25 years; buildings and improvements - five to 40 years; and equipment and furnishings - three to 20 years. Equipment under capital lease obligations is amortized using 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 in the consolidated financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. During 2011 and 2010, $366 and $5,510 of interest was capitalized, respectively.

Gifts of long-lived assets, such as land, buildings, or equipment, are reported as an increase to unrestricted net assets, and are excluded from excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

(i) Impairment of Long-Lived Assets

The Health System reviews the carrying amount of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Measurement of any impairment would include a comparison of the present value of the estimated future operating cash flows anticipated to be generated during the remaining life of the long-lived assets to the net carrying value of the assets. No assets were impaired during 2011 and 2010.

(j) Deferred Financing Costs

Certain expenses incurred in connection with the issuance of long-term debt have been deferred and are being amortized using the effective interest method over the term of the related obligation.

(k) Asset Retirement Obligations

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 410-20, *Asset Retirement and Environmental Obligations - Asset Retirement Obligations*, the Health System recognizes the fair value of liabilities for legal obligations associated with asset retirements in the period in which they are incurred, if a reasonable estimate of the fair value of the obligation can be made. Over time, the obligation is accreted to its present value each period. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations. The Health System has recorded a conditional asset retirement obligation related to estimated asbestos abatement costs in the amount of $6,625 and $5,882 at December 31, 2011 and 2010, respectively.

(l) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Health System has been limited by donors to a specific time period, purpose, or by law. Permanently restricted net assets have been restricted by donors to be maintained by the Health System in perpetuity.

(m) Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations.

(n) Net Patient Service Revenue Before the Provision for Uncollectible Accounts

Net patient service revenue before the provision for uncollectible accounts is recognized in the period in which the services are performed and consists of gross patient service revenue less estimated contractual adjustments and discounts. The discount offered to uninsured patients is recognized as a contractual adjustment, which reduces net patient service revenue. The uninsured patient accounts, net of contractual adjustments, are further reduced to their net realizable value through the provision for uncollectible accounts. The Health System has agreements with third-party payors that provide for payments to the Health System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, per diem, per visit, or per procedure, and discounted charges plus cost reimbursement for certain costs under governmental programs. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated

retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

(o) Financial Assistance

The Health System provides care to patients who meet certain criteria under its financial assistance policy without charge or at amounts less than their established rates. Because the Health System does not pursue collection of amounts determined to qualify as financial assistance, they are not reported as revenue. The cost of services and supplies furnished under the Health System's financial assistance policy are estimated based on the ratio of net costs to gross charges and aggregated to $8,682 and $6,264 in 2011 and 2010, respectively.

Patients meeting the guidelines for financial assistance frequently are uninsured and therefore qualify for the uninsured discount, which reduces the amount that they are responsible for to the equivalent of commercial reimbursement rates. This discount is applied prior to the financial assistance discount.

(p) Insurance Reserves

The provision for self-insurance reserves includes an estimate of the ultimate cost of reported claims as well as claims incurred but not reported. See note 10.

(q) Investment in Unconsolidated Entities

Investments in unconsolidated entities are accounted for under the cost or equity method of accounting, as appropriate, based on the relative percentage of ownership or degree of influence over the organization. The equity income or loss on these investments is recorded in the consolidated statements of operations as income from unconsolidated entities.

(r) Income Taxes

The Health System and all affiliates, except for Shared Service Systems, Inc., Methodist Health Partners, and Heart Services, LLC, have been recognized by the Internal Revenue Service as tax-exempt organizations, 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. The estimated federal and state income tax expense for the taxable entities and certain activities of the tax-exempt organizations that are unrelated to their exempt purpose was $570 and $323 for 2011 and 2010, respectively, and is recorded in other expense in the consolidated statements of operations.

The Health System recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. In 2011 and 2010, management determined there are no income tax positions requiring recognition in the financial statements.

(s) Excess (Deficiency) of Revenues over Expenses

The consolidated statements of operations include excess (deficiency) of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess (deficiency) of revenues over expenses, include the change in unrealized gains and losses on investments other-than-trading securities, change in value of charitable remainder unitrusts and annuities payable, change in liability for pension benefits, and contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets).

(t) Adoption of New Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update (ASU) 2011-04, *Fair Value Measurement (Topic 820), Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, which amended ASC 820, *Fair Value Measurement*, to change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. The adoption of ASU 2011-04 is effective beginning January 1, 2012 and is not expected to have a material impact on the Health System's consolidated financial statements.

In July 2011, the FASB issued ASU 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, which amended ASC 954, *Health Care Entities*, to provide greater transparency regarding a healthcare entity's net patient revenue and the related allowance for doubtful accounts. ASU 2011-07 requires certain healthcare entities to change the presentation of the provision for bad debts associated with patient service revenue by reclassifying the provision from operating expenses to a deduction from net patient revenue and requires enhanced disclosures about net patient revenue and the policies for recognizing revenue and assessing bad debts. The Health System early adopted ASU 2011-07 beginning January 1, 2011.

In August 2010, the FASB issued ASU 2010-24, *Health Care Entities (Topic 954), Presentation of Insurance Claims and Related Insurance Recoveries*, which clarifies that a healthcare entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. The adoption of ASU 2010-24 was effective for the Health System beginning January 1, 2011. The adoption of ASU 2010-24 did not have a material impact on the Health System's consolidated financial statements.

In August 2010, the FASB issued ASU 2010-23, *Health Care Entities (Topic 354), Measuring Charity Care for Disclosure*, which requires that cost be used as a measurement for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care. It also requires disclosure of the method used to identify or determine such costs. The adoption of ASU 2010-23 was effective for the Health System beginning January 1, 2011. The adoption of ASU 2010-23 did not have a material impact on the Health System's consolidated financial statements.

In January 2010, the FASB issued ASU 2010-06, *Improving Disclosures about Fair Value Measurements*, which amended ASC 820, *Fair Value Measurements and Disclosures*, to require new

disclosures related to transfers in and out of Level 1 and Level 2 fair value measurements, including reasons for the transfers, and to require new disclosures related to the reconciliation of Level 3 activity. Effective December 31, 2011, the Health System adopted the provisions of ASU 2010-06 related to the reconciliation of Level 3 activity; all other provisions were previously adopted effective December 31, 2010. The adoption of ASU 2010-06 did not have a material impact on the Health System's consolidated financial statements.

(u) Reclassifications

Certain balances from 2010 have been reclassified to conform to the current year presentation.

(3) Net Patient Service Revenue

The Nebraska Methodist Hospital and Jennie Edmundson Memorial Hospital (collectively, the Hospitals) and the Physicians Clinic (the Clinic) have agreements with third-party payors that provide for payments to the Hospitals and the Clinic at amounts different from their established rates. A summary of the payment arrangements with major third-party payors is as follows:

(a) Medicare

Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Medical education costs are paid based on a cost-reimbursement methodology. The Hospitals are reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospitals and audits thereof by the Medicare fiscal intermediary. Physician services are paid based on fee schedules.

(b) Nebraska Medicaid

Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Certain outpatient services are reimbursed based on a percentage rate representing the average ratio of cost to charges discounted by 27% and 25% at December 31, 2011 and 2010, respectively.

(c) Iowa Medicaid

Medical and surgical inpatient services and outpatient services rendered to Medicaid program beneficiaries are primarily paid at prospectively determined rates per discharge. Inpatient psychiatric stays are paid on a prospectively determined per diem. Physician services are paid based on fee schedule amounts. Iowa Medicaid implemented a provider assessment program in order to increase federal funding. In 2011, the net impact is not significant.

Revenue from the Medicare and Medicaid programs accounted for approximately 23% and 4%, respectively, of the Health System's net patient service revenue for the year ended December 31, 2011, and 22% and 4%, respectively, for the year ended December 31, 2010. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation.

As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased $358 and $291 in 2011 and 2010, respectively, as a result of changes in estimated reserves due to retroactive adjustments, final settlements, or additional information.

The Hospitals and the Clinic have also entered into payment agreements with certain commercial insurance carriers and preferred provider organizations. The basis for payment under these agreements includes discounts from established charges, fee schedules, and prospectively determined rates per discharge.

The governmental payors, as well as most commercial payors, have developed programs to review paid claims on a retroactive basis for accuracy and medical necessity. The Health System is subject to these post payment audits, which may result in the return of payments previously received. The determination of net patient service revenue includes consideration of these audits on net realizable revenue.

	Third-party	Self-pay	Total all
Patient service revenue, net of contractual adjustments and discounts	$ 590,956	13,726	604,682

(4) Concentrations of Credit Risk

The Health System grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2011 and 2010 was as follows:

	2011	2010
Medicare – traditional	25%	27%
Medicaid	7	6
Managed care	49	48
Other	19	19
	100%	100%

(5) Long-Term Debt and Capital Lease Obligations

A summary of long-term debt and capital lease obligations at December 31, 2011 and 2010 is as follows:

		2011	2010
Nebraska Investment Finance Authority Health Facilities Refunding and Revenue Bonds, Series 2008, payable in varying annual installments to 2048, with fixed interest rates ranging from 5.25% to 5.75%	$	210,685	210,865
Nebraska Investment Finance Authority Health Facilities Revenue Bonds, Series 2010, payable in varying semiannual installments to 2040, with a fixed interest rate of 4.28%		30,000	30,000
Nebraska Investment Finance Authority Health Facilities Revenue Bonds, Series 2009, payable in varying quarterly installments to 2039, with a fixed interest rate of 3.53%		28,875	29,465
Iowa Finance Authority Health Facilities Refunding Revenue Bonds, Series 1997, payable in varying annual installments to 2017, with fixed interest rates ranging from 4.90% to 5.13%		6,585	7,505
Nebraska Educational Finance Authority Loan payable in fixed semiannual installments to 2027, with a fixed interest rate of 4.96%		2,967	3,092
The Nebraska Methodist Hospital Real-Estate Agreement payable in fixed monthly installments to 2022, with a fixed interest rate of 4.53%		2,603	2,802
Capital lease obligations, payable in varying monthly installments to 2014, with interest rates ranging from 4.79% to 8.21%. The equipment has a combined net book value of $293 at December 31, 2011.		276	1,338
Line of credit under vendor payment program		4,413	479
		286,404	285,546
Less current portion		7,116	3,555
Long-term debt and capital lease obligations, net of current portion	$	279,288	281,991

During 2010, the Health System issued $30,000 of Health Facilities Revenue Bonds, the purpose of which was to fund the construction, improvement, equipping, and furnishing of a portion of a pathology building, employee parking garage, and surgery remodel project.

(Continued)

The Health System and all affiliates, except for Shared Service Systems, Inc., Methodist Health Partners, and Heart Services, LLC, have entered into a Master Trust Indenture (Indenture), which provides, among other things, for certain covenants related to the incurrence of additional indebtedness, the sale, lease, or disposition of property, and the maintenance of certain financial ratios. The Indenture also requires the Health System to satisfy financial performance measures as long as the debt is outstanding.

In the event of a Rating Agency downgrade to a rating of BBB (or its equivalent) or lower, the initial purchasing banks of the 2009 and 2010 series bonds and the reinsurer of the 1997 series bonds may elect to have the Health System repurchase the 2010, 2009, and 1997 bonds. In the event of this election, the Health System would have 90 days to refinance the then outstanding bonds, which total $65,460 at December 31, 2011.

The following is a summary of the outstanding balances by entity related to the Indenture as of December 31, 2011 and 2010:

		2011	2010
The Nebraska Methodist Hospital	$	265,763	266,533
Nebraska Methodist Health System, Inc.		3,797	3,797
Jennie Edmundson Memorial Hospital		6,585	7,505
	$	276,145	277,835

Property of the Nebraska Methodist College of Nursing and Allied Health is pledged as collateral for the Nebraska Educational Finance Authority Loan.

Scheduled principal payments are as follows:

		Long-term debt and line of credit	Capital lease obligations
2012	$	6,957	168
2013		3,341	86
2014		3,448	36
2015		3,621	—
2016		3,789	—
Thereafter		264,972	—
	$	286,128	290
Less amount representing interest under capital lease obligations			14
			$ 276

(Continued)

At December 31, 2011, the Health System has available a $10,000 unsecured revolving line of credit with an interest rate of one-month LIBOR plus 2%. The line of credit expires on August 1, 2012. As of December 31, 2011 and 2010, no amounts have been advanced on the line of credit.

At December 31, 2011, the Health System has available a $5,000 unsecured revolving line of credit in connection with a vendor payment program with an interest rate of three-month LIBOR plus 1.75%. The line of credit expires on December 31, 2011. As of December 31, 2011 and 2010, $4,413 and $479, respectively, have been advanced on the line of credit.

In December 2011, the Health System entered into a $10,000 unsecured revolving line of credit in connection with a vendor payment program with an interest rate of three-month LIBOR plus 1.75%. The line of credit expires on December 1, 2012. As of December 31, 2011, no amounts have been advanced on the line of credit.

(6) Investments and Assets Limited as to Use

Investments and assets limited as to use are stated at fair value and consist of:

(a) Long-Term Investments Including Securities on Loan

Long-term investments will be used to provide liquidity, retire long-term debt, replace existing facilities, expand the present facilities as necessary in the future, and continue the health services currently provided by the Health System. Additionally, certain of these funds have been designated to fund self-insurance reserves.

(b) Construction Funds

Proceeds from the 2010 and 2009 bonds were deposited with a trustee for construction, improvement, equipping, and furnishing of the Women's Hospital and medical office building, and the Methodist Hospital pathology building, employee parking garage, and surgery remodel project.

(c) Bond Trust Fund Investments

In connection with certain debt obligations, the Health System is required to make periodic deposits into bond sinking and interest funds with the trustee to provide for scheduled interest and principal payments.

The following is a summary of investments and assets limited as to use as of December 31, 2011 and 2010:

2011	Cash and cash equivalents	U.S. government obligations and agencies	Marketable debt securities	Marketable equity securities	Other	Total
Long-term investments	$ 17,300	6,916	26,766	114,739	350	166,071
Securities on loan	558	—	138	—	—	696
Construction funds	3,259	—	—	—	—	3,259
Bond trust fund investments	1,155	15,023	—	—	—	16,178
Total investments and assets limited as to use	$ 22,272	21,939	26,904	114,739	350	186,204

2010	Cash and cash equivalents	U.S. government obligations and agencies	Marketable debt securities	Marketable equity securities	Other	Total
Long-term investments	$ 26,836	5,433	26,415	117,222	366	176,272
Securities on loan	2,034	—	193	—	—	2,227
Construction funds	5,953	—	—	—	—	5,953
Bond trust fund investments	1,339	15,236	—	—	—	16,575
Total investments and assets limited as to use	$ 36,162	20,669	26,608	117,222	366	201,027

Investment income for investments and assets limited as to use, and cash and cash equivalents are comprised of the following for the years ending December 31, 2011 and 2010:

	2011	2010
Interest and dividends	$ 4,783	4,222
Realized gains and losses on the sale of securities	1,389	1,451
Impairment losses on investments	(7)	(9)
Change in net unrealized gains and losses on investments	(3,588)	10,548

Total unrealized losses from historical cost at December 31, 2011 were $5,996, of which $5,391 relates to equity mutual funds that have been in an unrealized loss position for greater than a year. Management reviewed the securities with unrealized losses at December 31, 2011 and determined that the securities were not other than temporarily impaired. Management reached this conclusion by applying its other-than-temporary loss policy, as well as discussions with its investment consultants and portfolio managers, who relied on industry analyst reports, credit ratings, current market conditions, and other information they deemed relevant to this assessment.

Securities Lending

The Health System participates in a securities lending program operated by clearlend, a division of Wells Fargo. Under this program, equity and fixed income investment securities are loaned on a temporary basis to investment brokers for a fee. The Health System retains the right to the equivalent of all distributions of the securities while on loan, including but not limited to, dividends, interest, and other cash distributions.

Securities so loaned are fully collateralized by short-term domestic securities that are high grade and quality at the time of investment. The Health System receives the aggregate income derived from the investments net of any tax, rebate, fees paid to borrowers, and other certain expenses.

All securities loans can be terminated by the lender, the borrower, or the lending agent. Upon termination of a loan, the securities loaned are returned to the lending agent and the associated collateral is returned to the borrower.

The fair market value of securities on loan under the securities lending program was $696 and $2,227 as of December 31, 2011 and 2010, respectively. The fair market value of the collateral received for the loaned securities was $915 and $2,457 as of December 31, 2011 and 2010, respectively. None of the collateral was sold or repledged during 2011 or 2010.

(7) Fair Value Measurements

Fair Value of Financial Instruments

The following table presents the carrying amounts and estimated fair values of the Health System's financial instruments at December 31, 2011 and 2010. The fair value of financial instrument is the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

	2011		2010	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Cash and cash equivalents	$ 66,327	66,327	33,565	33,565
Patient accounts receivable	86,841	86,841	79,523	79,523
Other receivables	30,342	30,342	24,385	24,385
Investments and assets limited as to use	186,204	186,204	201,027	201,027
Contributions receivable	7,747	7,747	8,590	8,590
Assets held for deferred compensation	2,655	2,655	2,575	2,575
Financial liabilities:				
Accounts payable	$ 26,731	26,731	26,135	26,135
Accrued salaries, wages, and benefits	46,270	46,270	43,265	43,265
Other accrued liabilities	20,759	20,759	21,699	21,699
Collateral on securities loaned	915	915	2,457	2,457
Estimated third-party payor settlements	4,297	4,297	4,055	4,055
Liability for deferred compensation	2,655	2,655	2,575	2,575
Liability for charitable remainder unitrusts and annuities payable	2,638	2,638	2,614	2,614
Conditional asset retirement obligation	6,625	6,625	5,882	5,882
Debt and capital lease obligations	286,404	285,587	285,546	266,562

The carrying amounts shown in the table are included in the consolidated balance sheets under the indicated captions. Assets held for deferred compensation are included in other assets. Liabilities for deferred compensation and charitable remainder unitrusts and annuities payable are included in other long-term liabilities. The fair values of the financial instruments shown in the table as of December 31, 2011 and 2010 represent management's best estimates of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date,

the fair value measurement reflects the Health System's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Health System based on the best information available under the circumstances.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents, patient accounts receivable, other receivables, accounts payable, accrued salaries, wages and benefits, other accrued liabilities, and estimated third-party payor settlements - the carrying amount approximates fair value due to the short maturity of these instruments.

Contributions receivable, liability for charitable remainder unitrusts and annuities payable, and conditional asset retirement obligation - the fair value is determined using the income approach by estimating the present value of expected future cash flows based on the best information available.

Debt and capital lease obligations - The fair value of the Health System's long-term debt is measured using quoted offer-side prices when quoted market prices are available. If quoted market prices are not available, the fair value is determined by discounting the future cash flows of each instrument at rates that reflect, among other things, market interest rates and the Health System's credit standing. In determining an appropriate spread to reflect its credit standing, the Health System considers bond yields of other long-term debt offered by the Health System, and interest rates currently offered to the Health System for similar debt instruments of comparable maturities by the Health System's bankers as well as other banks that regularly compete to provide financing to the Health System.

Fair Value Hierarchy

The Health System follows a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Financial instruments classified in this level generally include pooled short-term investment funds, exchange traded equity securities, and mutual funds.

Level 2: Inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Financial instruments classified in this level generally include fixed income government obligations, asset-backed securities, and corporate and municipal bonds.

Level 3: Inputs are unobservable for the asset or liability. The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the asset or liability. Fair value is determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques. Financial instruments classified in this level generally include alternative investments, limited partnerships, and private equity investments.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents the placement in the fair value hierarchy of assets that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) at December 31, 2011 and 2010:

	December 31, 2011 fair value	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 66,327	66,327	—	—
Investments and assets limited as to use:				
Money market investments	$ 22,272	22,272	—	—
U.S. government obligations and agencies	21,939	—	21,939	—
Marketable debt securities	26,904	—	26,904	—
Mutual funds:				
Balanced funds	35,458	35,458	—	—
Value funds	27,160	27,160	—	—
Growth funds	20,180	20,180	—	—
Fixed income funds	16,997	16,997	—	—
Stocks:				
Information technology	3,167	3,167	—	—
Healthcare	2,573	2,573	—	—
Consumer discretionary	2,193	2,193	—	—
Financial services	2,137	2,137	—	—
Industrials	2,002	2,002	—	—
Other	2,872	2,872	—	—
Real estate	350	—	—	350
Total investments and assets limited as to use	$ 186,204	137,011	48,843	350

(Continued)

	December 31, 2011 fair value	Level 1	Level 2	Level 3
Assets held for deferred compensation	$ 2,655	2,655	—	—

	December 31, 2010 fair value	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 33,565	33,565	—	—
Investments and assets limited as to use:				
Money market investments	$ 36,162	36,162	—	—
U.S. government obligations and agencies	20,669	—	20,669	—
Marketable debt securities	26,608	—	26,608	—
Mutual funds:				
Balanced funds	42,419	42,419	—	—
Growth funds	26,157	26,157	—	—
Value funds	19,033	19,033	—	—
Fixed income funds	16,319	16,319	—	—
Stocks:				
Information technology	2,736	2,736	—	—
Financial services	2,126	2,126	—	—
Consumer discretionary	2,099	2,099	—	—
Healthcare	1,723	1,723	—	—
Industrials	1,719	1,719	—	—
Other	2,891	2,891	—	—
Real estate	366	—	—	366
Total investments and assets limited as to use	$ 201,027	153,384	47,277	366
Assets held for deferred compensation	$ 2,575	2,575	—	—

There were no transfers to or from Level 1 or Level 2 during 2011.

(Continued)

The Level 2 and Level 3 financial instruments listed in the fair value hierarchy tables above use the following valuation techniques and inputs:

U.S. government obligations and agencies - The fair value of investments in U.S. government obligations and agencies is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads.

Marketable debt securities - The fair value of investments in marketable debt securities is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker/dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options.

Real estate - The fair value of investments in real estate is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include appraisals, reported trades/transactions, and observable broker quotes.

The following table presents the Health System's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in ASC Topic 820 for the years ended December 31, 2011 and 2010:

		Level 3
Balance at December 31, 2009	$	314
Total change in unrealized losses		—
Realized gains		—
Purchases		52
Balance at December 31, 2010	$	366

		Level 3
Balance at December 31, 2010	$	366
Total change in unrealized losses		—
Realized gains		—
Sales		(16)
Balance at December 31, 2011	$	350

The following tables present the placement in the fair value hierarchy of nonfinancial liabilities that are measured at fair value on a nonrecurring basis at December 31, 2011 and 2010:

	December 31, 2011 fair value	Level 1	Level 2	Level 3
Liabilities:				
Conditional asset retirement obligation	$ 6,625	—	—	6,625

	December 31, 2010 fair value	Level 1	Level 2	Level 3
Liabilities:				
Conditional asset retirement obligation	$ 5,882	—	—	5,882

(8) Temporarily and Permanently Restricted Net Assets

The composition of restricted net assets at December 31, 2011 and 2010 is set forth in the following table. Investments are stated at fair value.

Temporarily restricted net assets are available for the following purposes at December 31, 2011 and 2010:

	2011	2010
Building program (Women's Hospital, pathology building, employee parking garage, and surgery remodel)	$ 14,293	23,779
Scholarships and education	4,906	4,455
Methodist cancer survivorship program (Harper's Hope)	2,855	2,993
Community counseling, healthcare, and other	1,829	1,030
Nebraska Methodist College of Nursing capital	1,645	2,677
Charitable remainder unitrusts (primarily time restriction)	1,497	1,507
SANE/SART program	1,265	1,315
Methodist Cancer Center construction	1,159	1,566
	$ 29,449	39,322

Net assets were released from restrictions for the following purposes during 2011 and 2010:

		2011	2010
Building program (Women's Hospital, pathology building, employee parking garage, and surgery remodel)	$	10,455	8,678
Scholarships and education		112	111
Methodist cancer survivorship program (Harper's Hope)		153	32
Community counseling, healthcare, and other		1,356	1,889
Nebraska Methodist College of Nursing capital		1,258	6
SANE/SART program		69	81
Methodist Cancer Center construction		418	1,718
	$	13,821	12,515

Permanently restricted assets of $2,282 and $1,971 at December 31, 2011 and 2010, respectively, are available for scholarships and education, community healthcare, and other.

(9) Pension Plans

(a) Health System

The Health System sponsors a noncontributory defined benefit pension plan (the Plan) covering substantially all employees (except for employees covered under the Jennie Edmundson Memorial Hospital Employee Retirement Plan) who have completed one year of eligible service, as defined in the Plan, and have attained the age of 21. Benefits are determined based upon years of service and the employee's compensation during the final 15 years of employment or during all years of service if employed less than 15 years. The Health System's funding policy is to contribute annually an amount that satisfies the funding standard account requirements of the Employee Retirement Income Security Act of 1974 (ERISA). The annual costs were calculated using the projected-unit-credit-actuarial cost method.

(b) Jennie Edmundson Memorial Hospital Employee Retirement Plan

Jennie Edmundson Memorial Hospital (Jennie Edmundson) sponsors a noncontributory defined-benefit pension plan (the JEMH Plan) covering substantially all employees. Employees become participants in the JEMH Plan on January 1 following their date of employment. Benefits are determined based on the annual compensation for each year the employee was a participant in the JEMH Plan. Jennie Edmundson's funding policy is to contribute annually an amount that satisfies the funding standard account requirements of ERISA. Annual costs are calculated using the projected-unit-credit-actuarial cost method.

The following table summarizes the projected benefit obligation, the fair value of plan assets, and the funded status at the measurement dates of December 31, 2011:

		Health System	Jennie Edmundson
Changes to benefit obligation:			
Benefit obligation at beginning of year	$	256,131	49,639
Service cost		10,214	1,632
Interest cost		13,883	2,728
Actuarial loss		26,910	6,325
Benefits paid from plan assets		(8,445)	(1,388)
Benefit obligation at end of year		298,693	58,936
Changes in plan assets:			
Fair value of plan assets at beginning of year		231,218	42,558
Actual return on plan assets		13,803	2,457
Employer contributions		10,000	1,900
Benefits paid		(8,445)	(1,388)
Fair value of plan assets at end of year		246,576	45,527
Funded status at end of year	$	(52,117)	(13,409)

		Health System	Jennie Edmundson
Amounts recognized in the consolidated balance sheets:			
Liability for pension benefits	$	(52,117)	(13,409)
Net amount recognized	$	(52,117)	(13,409)

The accumulated benefit obligation as of December 31, 2011 for the Health System and Jennie Edmundson was $292,778 and $53,785, respectively.

(Continued)

The following is a summary of the components of net periodic pension cost for the year ended December 31, 2011:

		Health System	Jennie Edmundson
Service cost during the period	$	10,214	1,632
Interest cost on projected benefit obligation		13,883	2,728
Expected return on plan assets		(18,497)	(3,425)
Amortization of unrecognized:			
Prior service cost		(372)	—
Losses		4,927	581
Net periodic pension cost	$	10,155	1,516

Other changes in plan assets and benefit obligations recognized in unrestricted net assets as of December 31, 2011 consist of:

		Health System	Jennie Edmundson
Net actuarial loss	$	94,227	18,253
Prior service cost		(1,346)	—
Total recognized in unrestricted net assets	$	92,881	18,253

Amounts recognized in other changes in unrestricted net assets for the year ended December 31, 2011 are as follows:

		Health System	Jennie Edmundson
Amortization of net gain (loss)	$	(4,927)	7,292
Amortization of prior service cost		372	—
Net loss recognized in the current period		31,604	(580)
Other		(90)	—
Total change in unrestricted net assets	$	26,959	6,712

The estimated net loss and prior service cost for the Health System and Jennie Edmundson that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year are approximately $6,986 and $1,124, respectively.

(Continued)

Plan asset allocations and target allocations are comprised of the following investment classifications at December 31, 2011:

	Target allocations	Health System	Jennie Edmundson
Equity securities	65%	42%	42%
Fixed income securities	29	36	36
Real estate investment trusts	5	4	4
Cash and cash equivalents	1	18	18
	100%	100%	100%

The Health System and Jennie Edmundson's overall investment objective is to provide a return on investment consistent with maintaining a funded ratio target, which is defined by the Health System and Jennie Edmundson. The strategies employed by the Health System and Jennie Edmundson will provide the opportunity for returns within acceptable levels of risk of loss and volatility of returns with appropriate asset allocation being the primary tool to achieve the return objectives.

The following are the actuarial assumptions used by the Plans to develop the components of pension cost for the year ended December 31, 2011:

	Health System	Jennie Edmundson
Discount rate	5.50%	5.60%
Rate of increase in compensation levels	4.00	4.50
Expected long-term rate of return on plan assets	8.00	8.00

The expected long-term rate of return on plan assets reflects the anticipated rates of return on the classes of funds invested, or to be invested, to provide for the future obligation of the pension plan.

The determination of this rate considers the fund's targeted asset allocation, the historical rates of return for each asset class, as well as the expected rates to be earned over the next 15 to 20 years.

The following are the actuarial assumptions used by the Plans to develop the components of the pension projected benefit obligations for the year ended December 31, 2011:

	Health System	Jennie Edmundson
Discount rate	4.80%	4.70%
Rate of increase in compensation levels	3.50	3.50

(Continued)

The following table summarizes the projected benefit obligation, the fair value of plan assets, and the funded status at the measurement dates of December 31, 2010:

		Health System	Jennie Edmundson
Changes to benefit obligation:			
Benefit obligation at beginning of year	$	229,130	44,378
Service cost		9,376	1,500
Interest cost		13,302	2,599
Actuarial loss		13,959	2,387
Benefits paid from plan assets		(9,636)	(1,225)
Benefit obligation at end of year		256,131	49,639
Changes in plan assets:			
Fair value of plan assets at beginning of year		211,309	38,386
Actual return on plan assets		19,909	3,497
Employer contributions		9,636	1,900
Benefits paid		(9,636)	(1,225)
Fair value of plan assets at end of year		231,218	42,558
Funded status at end of year	$	(24,913)	(7,081)
Amounts recognized in the consolidated balance sheets:			
Liability for pension benefits	$	(24,913)	(7,081)
Net amount recognized	$	(24,913)	(7,081)

The accumulated benefit obligation as of December 31, 2010 for the Health System and Jennie Edmundson was $249,981 and $44,300, respectively.

The following is a summary of the components of net periodic pension cost for the year ended December 31, 2010:

		Health System	Jennie Edmundson
Service cost during the period	$	9,376	1,500
Interest cost on projected benefit obligation		13,302	2,599
Expected return on plan assets		(16,870)	(3,100)
Amortization of unrecognized:			
Prior service cost		(372)	—
Amortization of losses		4,475	465
Net periodic pension cost	$	9,911	1,464

(Continued)

Other changes in plan assets and benefit obligations recognized in unrestricted net assets as of December 31, 2010 consist of:

		Health System	Jennie Edmundson
Net actuarial loss	$	67,640	11,541
Prior service cost		(1,718)	—
Total recognized in unrestricted net assets	$	65,922	11,541

Amounts recognized in other changes in unrestricted net assets for the year ended December 31, 2010 are as follows:

		Health System	Jennie Edmundson
Amortization of net gain	$	(4,475)	(465)
Amortization of prior service cost		372	—
Net loss recognized in the current period		10,920	1,990
Other		(34)	—
Total change in unrestricted net assets	$	6,783	1,525

The estimated net loss and prior service cost for the Health System and Jennie Edmundson that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year are approximately $4,345 and $587, respectively.

Plan asset allocations and target allocations are comprised of the following investment classifications at December 31, 2010:

	Target allocations	Health System	Jennie Edmundson
Equity securities	65%	35%	35%
Fixed income securities	29	39	38
Real estate investment trusts	5	4	4
Cash and cash equivalents	1	22	23
	100%	100%	100%

The Health System and Jennie Edmundson's overall investment objective is to provide a return on investment consistent with maintaining a funded ratio target, which is defined by the Health System and Jennie Edmundson. The strategies employed by the Health System and Jennie Edmundson will provide the opportunity for returns within acceptable levels of risk of loss and volatility of returns with appropriate asset allocation being the primary tool to achieve the return objectives.

(Continued)

The following are the actuarial assumptions used by the Plans to develop the components of pension cost for the year ended December 31, 2010:

	Health System	Jennie Edmundson
Discount rate	5.90%	6.00%
Rate of increase in compensation levels	4.50	4.50
Expected long-term rate of return on plan assets	8.00	8.00

The expected long-term rate of return on plan assets reflects the anticipated rates of return on the classes of funds invested, or to be invested, to provide for the future obligation of the pension plan.

The determination of this rate considers the fund's targeted asset allocation, the historical rates of return for each asset class, as well as the expected rates to be earned over the next 15 to 20 years.

The following are the actuarial assumptions used by the Plans to develop the components of the pension projected benefit obligations for the year ended December 31, 2010:

	Health System	Jennie Edmundson
Discount rate	5.50%	5.60%
Rate of increase in compensation levels	4.00	4.50

The benefits expected to be paid in each year from 2012 to 2015 are as follows:

	Health System	Jennie Edmundson
2012	$ 12,788	1,562
2013	13,159	1,762
2014	14,730	1,977
2015	15,793	2,164
2016	16,270	2,443

The aggregate benefits expected to be paid in the five years from 2016 to 2020 for the Health System and Jennie Edmundson are $98,886 and $16,354, respectively. The expected benefits to be paid are based on the same assumptions used to measure the plan's benefit obligation at December 31, 2011 and include estimated employee service.

The Health System and Jennie Edmundson expect to contribute $13,000 and $2,200, respectively, to their retirement plans in 2012.

(Continued)

The following tables present the fair value of plan assets in accordance with the fair value hierarchy (note 7) at December 31, 2011 and 2010:

	December 31, 2011 fair value	Level 1	Level 2	Level 3
Health System:				
Asset category:				
Money market investments	$ 48,938	48,938	—	—
U.S. government obligations and agencies	30,553	—	30,553	—
Marketable debt securities	20,991	—	20,991	—
Mutual funds:				
Balanced funds	27,530	27,530	—	—
Growth funds	19,616	19,616	—	—
Value funds	10,765	10,765	—	—
Fixed income funds	34,485	34,485	—	—
Common stock:				
Consumer discretionary	8,324	8,324	—	—
Information technology	7,945	7,945	—	—
Financial services	5,679	5,679	—	—
Healthcare	5,189	5,189	—	—
Industrials	4,199	4,199	—	—
Energy	4,097	4,097	—	—
Consumer staples	2,858	2,858	—	—
Other	5,497	5,497	—	—
Real estate	9,910	—	—	9,910
	$ 246,576	185,122	51,544	9,910

(Continued)

	December 31, 2011 fair value	Level 1	Level 2	Level 3
Jennie Edmundson:				
Asset category:				
Money market investments	$ 8,868	8,868	—	—
U.S. government obligations and agencies	5,723	—	5,723	—
Marketable debt securities	3,831	—	3,831	—
Mutual funds:				
Balanced funds	5,031	5,031	—	—
Growth funds	3,639	3,639	—	—
Value funds	1,928	1,928	—	—
Fixed income funds	6,439	6,439	—	—
Common stock:				
Information technology	1,462	1,462	—	—
Consumer discretionary	1,535	1,535	—	—
Financial services	1,076	1,076	—	—
Other	4,099	4,099	—	—
Real estate	1,896	—	—	1,896
	$ 45,527	34,077	9,554	1,896

(Continued)

	December 31, 2010 fair value	Level 1	Level 2	Level 3
Health System:				
Asset category:				
Money market investments	$ 52,009	52,009	—	—
U.S. government obligations and agencies	26,640	—	26,640	—
Marketable debt securities	16,751	—	16,751	—
Mutual funds:				
Balanced funds	19,374	19,374	—	—
Growth funds	2,621	2,621	—	—
Value funds	13,926	13,926	—	—
Fixed income funds	45,778	45,778	—	—
Common stock:				
Information technology	9,538	9,538	—	—
Consumer discretionary	8,557	8,557	—	—
Financial services	6,229	6,229	—	—
Healthcare	4,753	4,753	—	—
Industrials	4,709	4,709	—	—
Materials	2,551	2,551	—	—
Consumer staples	2,547	2,547	—	—
Other	6,381	6,381	—	—
Real estate	8,854	—	—	8,854
	$ 231,218	178,973	43,391	8,854

(Continued)

	December 31, 2010 fair value	Level 1	Level 2	Level 3
Jennie Edmundson:				
Asset category:				
Money market investments	$ 9,985	9,985	—	—
U.S. government obligations and agencies	5,028	—	5,028	—
Marketable debt securities	3,150	—	3,150	—
Mutual funds:				
Balanced funds	3,258	3,258	—	—
Growth funds	481	481	—	—
Value funds	2,501	2,501	—	—
Fixed income funds	8,006	8,006	—	—
Common stock:				
Information technology	1,754	1,754	—	—
Consumer discretionary	1,589	1,589	—	—
Financial services	1,175	1,175	—	—
Other	3,937	3,937	—	—
Real estate	1,694	—	—	1,694
	$ 42,558	32,686	8,178	1,694

The following tables present the Health System's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in ASC Topic 820 for the years ended December 31, 2011 and 2010:

	Health System	Jennie Edmundson
Balance at December 31, 2010	$ 8,854	1,694
Total change in unrealized gains	679	130
Realized losses	(3)	(1)
Purchases	761	146
Sales	(381)	(73)
Balance at December 31, 2011	$ 9,910	1,896

(Continued)

		Health System	Jennie Edmundson
Balance at December 31, 2009	$	7,648	1,463
Total change in unrealized gains		734	140
Realized losses		(3)	—
Purchases		826	158
Sales		(351)	(67)
Balance at December 31, 2010	$	8,854	1,694

(10) Insurance Coverage

The Health System manages its professional liability risks through a combination of third-party insurance coverage and self-insurance. General and professional liability and employed physician professional liability coverage are provided under a self-insured retention of $2,000 per occurrence with an annual aggregate of $9,000. In addition, a $50,000 umbrella policy is maintained with third-party insurance carriers for claims in excess of any applicable self-insured retention. In the event of insolvency, the Health System maintains a fronting policy with the insurance carrier to pay claims. In turn, the insurance carrier requires the Health System to maintain a letter of credit as collateral for open claims. At December 31, 2011, the amount available under the letter of credit was $3,427. There were no amounts drawn as of December 31, 2011.

The Health System has established reserves for possible losses on both asserted and unasserted claims based upon an independent actuarial analysis. The reserves were not discounted in 2011 or 2010. The Health System has recognized $2,209 and $3,780 of expense related to these self-insured risks during 2011 and 2010, respectively.

Management of the Health System is presently not aware of any incidents, which would result in probable losses materially in excess of amounts provided by insurance policies and established reserves for claims.

The Health System similarly provides for health insurance and workers' compensation coverage through a combination of self-insurance and third-party insurers. Estimated reserves have been established for reported claims and claims, which have been incurred but not reported.

(Continued)

(11) Functional Expenses

The Health System provides general healthcare services to residents within the region. Support expenses related to providing these services for the years ended December 31, 2011 and 2010 are as follows:

		2011	2010
Healthcare service	$	588,754	558,058
General and administrative		45,656	44,004
Fundraising		1,895	1,925
	$	636,305	603,987

(12) Contingencies

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, security and privacy of protected data, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Medicare started a post payment audit program in 2009 with retroactive application to October 1, 2007. Refund requests of $561 and $128 have been received through December 31, 2011 and 2010, respectively. Management believes that the Health System is in compliance with fraud and abuse regulations, as well as other applicable government laws and regulations. While no regulatory inquiries have been made, which are expected to have a material effect on the Health System's consolidated financial statements, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

(13) Commitments

Certain equipment and property are being leased under long-term noncancelable operating leases. In most cases, management expects that, in the normal course of operations, the leases will be renewed or replaced by other leases or capital purchases. The total rent expense under operating leases for 2011 and 2010 was $6,380 and $6,250, respectively.

(Continued)

Future minimum rental payments required under noncancelable operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2011 are as follows:

2012	$	2,489
2013		2,252
2014		2,039
2015		1,076
2016		98

(14) Subsequent Events

The Health System has evaluated subsequent events from the consolidated balance sheet date through April 16, 2012, the date at which the consolidated financial statements were issued, and determined there are no other material items to disclose.

Exhibit I

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Balance Sheet

December 31, 2011

(Amounts in thousands)

Assets	NMH consolidated	JEMH	PCI	NMH Foundation	NMHS total	SSS	Total	Eliminations	NMHS consolidated
Current assets:									
Cash and cash equivalents	$ 36,813	8,540	9,110	3,232	8,336	296	66,327	—	66,327
Patient accounts receivable, less allowance for uncollectible accounts	53,912	13,470	19,459	—	—	—	86,841	—	86,841
Contributions receivable	—	70	—	2,294	—	—	2,364	—	2,364
Other receivables	21,987	715	207	—	600	7,298	30,807	(465)	30,342
Inventories	5,611	1,102	1,076	—	6	5,329	13,124	—	13,124
Prepaid expenses	5,354	612	721	9	244	68	7,008	—	7,008
Due from affiliates	924	—	—	—	8,684	—	9,608	(9,608)	—
Total current assets	124,601	24,509	30,573	5,535	17,870	12,991	216,079	(10,073)	206,006
Investments and assets limited as to use:									
Long-term investments	60,954	4,828	—	87,663	12,626	—	166,071	—	166,071
Securities on loan	60	—	—	636	—	—	696	—	696
Construction funds	3,259	—	—	—	—	—	3,259	—	3,259
Bond trust fund investments	15,917	—	—	—	261	—	16,178	—	16,178
Total investments and assets limited as to use	80,190	4,828	—	88,299	12,887	—	186,204	—	186,204
Property and equipment:									
Land	4,257	2,808	3,876	—	7,888	9	18,838	—	18,838
Land improvements	15,649	2,335	627	—	1,332	102	20,045	—	20,045
Buildings and improvements	338,745	72,271	41,641	236	15,389	4,283	472,565	—	472,565
Equipment and furnishings	338,258	44,490	21,182	89	8,836	5,460	418,315	—	418,315
Construction in progress	8,749	21	1	—	332	—	9,103	—	9,103
Total property and equipment	705,658	121,925	67,327	325	33,777	9,854	938,866	—	938,866
Less accumulated depreciation	349,330	84,786	37,701	279	19,178	8,892	500,166	—	500,166
Total property and equipment, net	356,328	37,139	29,626	46	14,599	962	438,700	—	438,700
Other assets:									
Contributions receivable	—	—	—	5,383	—	—	5,383	—	5,383
Deferred financing costs	6,543	81	—	—	157	—	6,781	—	6,781
Beneficial interest in the net assets of the Foundation	26,048	—	—	—	69,868	—	95,916	(95,916)	—
Investment in unconsolidated entities	3,843	843	—	—	653	—	5,339	—	5,339
Other	4,676	—	—	228	2,944	811	8,659	(2,395)	6,264
Total other assets	41,110	924	—	5,611	73,622	811	122,078	(98,311)	23,767
Total assets	$ 602,229	67,400	60,199	99,491	118,978	14,764	963,061	(108,384)	854,677

(Continued)

Exhibit I

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Balance Sheet

December 31, 2011

(Amounts in thousands)

Liabilities and Net Assets	NMH consolidated	JEMH	PCI	NMH Foundation	NMHS total	SSS	Total	Eliminations	NMHS consolidated
Current liabilities:									
Current portion of long-term debt and capital lease obligations	$ 6,151	965	208	—	—	—	7,324	(208)	7,116
Accounts payable	17,588	2,318	2,676	39	1,249	3,118	26,988	(257)	26,731
Accrued salaries, wages, and benefits	17,113	5,626	14,040	71	8,700	720	46,270	—	46,270
Other accrued liabilities	11,282	1,646	5,070	2	2,443	316	20,759	—	20,759
Collateral on securities loaned	104	—	—	811	—	—	915	—	915
Estimated third-party payor settlements	3,327	970	—	—	—	—	4,297	—	4,297
Due to affiliates	148	1,376	6,247	14	568	1,255	9,608	(9,608)	—
Total current liabilities	55,713	12,901	28,241	937	12,960	5,409	116,161	(10,073)	106,088
Liability for pension benefits	—	13,409	—	—	52,117	—	65,526	—	65,526
Other long-term liabilities	2,256	408	6,033	2,638	9,321	196	20,852	—	20,852
Conditional asset retirement obligation	4,308	1,388	—	—	929	—	6,625	—	6,625
Long-term debt and capital lease obligations, net of current portion	269,871	5,620	2,395	—	3,797	—	281,683	(2,395)	279,288
Total liabilities	332,148	33,726	36,669	3,575	79,124	5,605	490,847	(12,468)	478,379
Net assets:									
Unrestricted	241,658	32,211	23,530	68,023	(30,014)	9,159	344,567	—	344,567
Temporarily restricted	26,717	1,266	—	26,035	69,489	—	123,507	(94,058)	29,449
Permanently restricted	1,706	197	—	1,858	379	—	4,140	(1,858)	2,282
Total net assets	270,081	33,674	23,530	95,916	39,854	9,159	472,214	(95,916)	376,298
Total liabilities and net assets	$ 602,229	67,400	60,199	99,491	118,978	14,764	963,061	(108,384)	854,677

See accompanying independent auditors' report.

Exhibit I

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Statement of Operations

Year ended December 31, 2011

(Amounts in thousands)

	NMH consolidated	JEMH	PCI	NMH Foundation	NMHS total	SSS	Total	Eliminations	NMHS consolidated
Unrestricted revenues, gains, and other support:									
Patient service revenue, net of contractual adjustments and discounts	$ 402,472	89,089	115,808	—	—	—	607,369	(2,687)	604,682
Provision for uncollectible accounts	(9,287)	(2,925)	(1,206)	—	—	—	(13,418)	—	(13,418)
Net patient service revenue	393,185	86,164	114,602	—	—	—	593,951	(2,687)	591,264
Sales of supplies, linen, and laundry services	—	—	—	—	—	11,752	11,752	(4,847)	6,905
Tuition, housing, and bookstore	11,769	48	—	—	—	—	11,817	—	11,817
Cafeteria, rental, and other	19,503	3,749	3,136	1,786	5,929	—	34,103	(14,466)	19,637
Total revenues, gains, and other support	424,457	89,961	117,738	1,786	5,929	11,752	651,623	(22,000)	629,623
Expenses:									
Salaries and wages	149,441	34,487	77,905	571	23,538	4,719	290,661	(230)	290,431
Employee benefits	38,409	10,320	14,170	126	7,569	1,565	72,159	(99)	72,060
Professional fees and purchased services	40,668	6,661	4,500	210	4,911	52	57,002	(3,862)	53,140
Supplies	75,709	16,084	8,877	12	517	1,552	102,751	(4,558)	98,193
Plant and utilities	30,545	4,443	7,636	95	1,894	1,223	45,836	(6,441)	39,395
Depreciation	36,473	4,390	3,321	17	1,130	182	45,513	—	45,513
Interest and amortization	13,500	450	122	—	260	—	14,332	(122)	14,210
Allocations	25,100	7,070	6,042	544	(39,554)	798	—	—	—
Other	13,068	4,158	4,422	3,714	3,881	930	30,173	(6,810)	23,363
Total expenses	422,913	88,063	126,995	5,289	4,146	11,021	658,427	(22,122)	636,305
Operating income (loss)	1,544	1,898	(9,257)	(3,503)	1,783	731	(6,804)	122	(6,682)
Other income (expense):									
Investment income	2,389	141	—	3,406	351	—	6,287	(122)	6,165
Income (loss) from unconsolidated entities	2,674	146	—	—	(9)	—	2,811	—	2,811
Gain (loss) on sale of property and equipment	29	26	(74)	—	—	8	(11)	—	(11)
Income taxes	(220)	(1)	(66)	—	6	(289)	(570)	—	(570)
Total other income (expense), net	4,872	312	(140)	3,406	348	(281)	8,517	(122)	8,395
Excess (deficiency) of revenues over expenses	6,416	2,210	(9,397)	(97)	2,131	450	1,713	—	1,713
Other changes in unrestricted net assets:									
Change in net unrealized gains and losses on investments	(1,024)	(79)	—	(2,271)	(214)	—	(3,588)	—	(3,588)
Change in value of charitable remainder unitrusts and related annuities payable	—	—	—	(207)	—	—	(207)	—	(207)
Change in liability for pension benefits	90	(6,712)	—	—	(27,049)	—	(33,671)	—	(33,671)
Net assets released from restrictions for the purchase of property and equipment	—	—	—	12,131	—	—	12,131	—	12,131
Capital contributions	155	—	—	—	—	—	155	—	155
Transfers (to) from affiliate for capital	12,737	—	—	(12,737)	—	—	—	—	—
Transfers (to) from affiliate	(11,774)	—	9,397	1,942	435	—	—	—	—
Total other changes in unrestricted net assets	184	(6,791)	9,397	(1,142)	(26,828)	—	(25,180)	—	(25,180)
Increase (decrease) in unrestricted net assets	$ 6,600	(4,581)	—	(1,239)	(24,697)	450	(23,467)	—	(23,467)

See accompanying independent auditors' report.

Exhibit I

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Statement of Changes in Net Assets

Year ended December 31, 2011

(Amounts in thousands)

	NMH consolidated	JEMH	PCI	NMH Foundation	NMHS total	SSS	Total	Eliminations	NMHS consolidated
Unrestricted:									
Beginning balance, December 31, 2010	$ 235,058	36,792	23,530	69,262	(5,317)	8,709	368,034	—	368,034
Excess (deficiency) of revenues over expenses	6,416	2,210	(9,397)	(97)	2,131	450	1,713	—	1,713
Change in net unrealized gains and losses on investments	(1,024)	(79)	—	(2,271)	(214)	—	(3,588)	—	(3,588)
Change in value of charitable remainder unitrusts and related annuities payable	—	—	—	(207)	—	—	(207)	—	(207)
Change in liability for pension benefits	90	(6,712)	—	—	(27,049)	—	(33,671)	—	(33,671)
Net assets released from restrictions for the purchase of property and equipment	—	—	—	12,131	—	—	12,131	—	12,131
Capital contributions	155	—	—	—	—	—	155	—	155
Transfers (to) from affiliate for capital	12,737	—	—	(12,737)	—	—	—	—	—
Transfers (to) from affiliates	(11,774)	—	9,397	1,942	435	—	—	—	—
Ending balance, December 31, 2011	$ 241,658	32,211	23,530	68,023	(30,014)	9,159	344,567	—	344,567
Temporarily restricted:									
Beginning balance, December 31, 2010	$ 36,859	1,064	—	36,506	70,661	—	145,090	(105,768)	39,322
Restricted gifts and grants	396	585	—	3,041	—	—	4,022	—	4,022
Restricted interest and investment income	—	3	—	70	—	—	73	—	73
Change in net unrealized gains and losses on investments	—	(2)	—	(141)	—	—	(143)	—	(143)
Change in value of charitable remainder unitrusts and related annuities payable	—	—	—	(4)	—	—	(4)	—	(4)
Net assets released from restrictions for use in operations	—	(384)	—	(1,306)	—	—	(1,690)	—	(1,690)
Net assets released from restrictions for the purchase of property and equipment	—	—	—	(12,131)	—	—	(12,131)	—	(12,131)
Change in beneficial interest in the Foundation	(10,538)	—	—	—	(1,172)	—	(11,710)	11,710	—
Ending balance, December 31, 2011	$ 26,717	1,266	—	26,035	69,489	—	123,507	(94,058)	29,449
Permanently restricted:									
Beginning balance, December 31, 2010	$ 1,406	186	—	1,558	379	—	3,529	(1,558)	1,971
Restricted gifts and grants	—	11	—	300	—	—	311	—	311
Change in beneficial interest in the Foundation	300	—	—	—	—	—	300	(300)	—
Ending balance, December 31, 2011	$ 1,706	197	—	1,858	379	—	4,140	(1,858)	2,282

See accompanying independent auditors' report.

Exhibit II

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Balance Sheet

December 31, 2011

(Amounts in thousands)

Assets	NMH	MWH	MCON	NMH total	Eliminations	NMH consolidated
Current assets:						
Cash and cash equivalents	$ 36,200	5	608	36,813	—	36,813
Patient accounts receivable, less allowance for uncollectible accounts	44,197	9,715	—	53,912	—	53,912
Other receivables	20,889	11	1,087	21,987	—	21,987
Inventories	4,046	911	654	5,611	—	5,611
Prepaid expenses	4,958	113	283	5,354	—	5,354
Due from affiliates	895	29	—	924	—	924
Total current assets	111,185	10,784	2,632	124,601	—	124,601
Investments and assets limited as to use:						
Long-term investments	60,954	—	—	60,954	—	60,954
Securities on loan	60	—	—	60	—	60
Construction funds	3,259	—	—	3,259	—	3,259
Bond trust fund investments	3,929	11,988	—	15,917	—	15,917
Total investments and assets limited as to use	68,202	11,988	—	80,190	—	80,190
Property and equipment:						
Land	2,233	—	2,024	4,257	—	4,257
Land improvements	9,607	5,569	473	15,649	—	15,649
Buildings and improvements	219,568	94,735	24,442	338,745	—	338,745
Equipment and furnishings	250,451	83,489	4,318	338,258	—	338,258
Construction in progress	8,739	2	8	8,749	—	8,749
Total property and equipment	490,598	183,795	31,265	705,658	—	705,658
Less accumulated depreciation	326,305	15,134	7,891	349,330	—	349,330
Total property and equipment, net	164,293	168,661	23,374	356,328	—	356,328
Other assets:						
Deferred financing costs	2,446	4,083	14	6,543	—	6,543
Beneficial interest in the net assets of the Foundation	20,865	—	5,183	26,048	—	26,048
Investment in unconsolidated entities	3,843	—	—	3,843	—	3,843
Other	2,395	—	2,281	4,676	—	4,676
Total other assets	29,549	4,083	7,478	41,110	—	41,110
Total assets	$ 373,229	195,516	33,484	602,229	—	602,229

(Continued)

Exhibit II

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Balance Sheet

December 31, 2011

(Amounts in thousands)

Liabilities and Net Assets	NMH	MWH	MCON	NMH total	Eliminations	NMH consolidated
Current liabilities:						
Current portion of long-term debt and capital lease obligations	$ 4,800	1,220	131	6,151	—	6,151
Accounts payable	15,903	1,358	327	17,588	—	17,588
Accrued salaries, wages, and benefits	14,192	2,354	567	17,113	—	17,113
Other accrued liabilities	8,740	1,589	953	11,282	—	11,282
Collateral for securities on loan	104	—	—	104	—	104
Estimated third-party payor settlements	3,327	—	—	3,327	—	3,327
Due to affiliates	—	—	148	148	—	148
Total current liabilities	47,066	6,521	2,126	55,713	—	55,713
Other long-term liabilities	2,219	32	5	2,256	—	2,256
Conditional asset retirement obligation	4,308	—	—	4,308	—	4,308
Long-term debt and capital lease obligations, net of current portion	93,425	173,610	2,836	269,871	—	269,871
Total liabilities	147,018	180,163	4,967	332,148	—	332,148
Net assets:						
Unrestricted	205,347	15,353	20,958	241,658	—	241,658
Temporarily restricted	20,564	—	6,153	26,717	—	26,717
Permanently restricted	300	—	1,406	1,706	—	1,706
Total net assets	226,211	15,353	28,517	270,081	—	270,081
Total liabilities and net assets	$ 373,229	195,516	33,484	602,229	—	602,229

See accompanying independent auditors' report.

Exhibit II

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Statement of Operations

Year ended December 31, 2011

(Amounts in thousands)

	NMH	MWH	MCON	NMH Total	Eliminations	NMH consolidated
Unrestricted revenues, gains, and other support:						
Patient service revenue, net of contractual adjustments and discounts	$ 337,533	64,939	—	402,472	—	402,472
Provision for uncollectible accounts	(6,905)	(2,382)	—	(9,287)	—	(9,287)
Net patient service revenue	330,628	62,557	—	393,185	—	393,185
Tuition, housing, and bookstore	—	—	11,769	11,769	—	11,769
Cafeteria, rental, and other	15,902	3,853	785	20,540	(1,037)	19,503
Total revenues, gains, and other support	346,530	66,410	12,554	425,494	(1,037)	424,457
Expenses:						
Salaries and wages	116,672	25,270	7,499	149,441	—	149,441
Employee benefits	30,971	5,571	1,867	38,409	—	38,409
Professional fees and purchased services	31,314	9,939	452	41,705	(1,037)	40,668
Supplies	67,585	7,896	228	75,709	—	75,709
Plant and utilities	25,984	3,765	796	30,545	—	30,545
Depreciation	26,606	8,500	1,367	36,473	—	36,473
Interest and amortization	3,582	9,766	152	13,500	—	13,500
Allocations	17,383	6,126	1,591	25,100	—	25,100
Other	9,783	1,241	2,044	13,068	—	13,068
Total expenses	329,880	78,074	15,996	423,950	(1,037)	422,913
Operating income (loss)	16,650	(11,664)	(3,442)	1,544	—	1,544
Other income (expense):						
Investment income	1,956	431	2	2,389	—	2,389
Income from unconsolidated entities	2,674	—	—	2,674	—	2,674
Gain (loss) on sale of property and equipment	3	28	(2)	29	—	29
Income taxes	(220)	—	—	(220)	—	(220)
Total other income, net	4,413	459	—	4,872	—	4,872
Excess (deficiency) of revenues over expenses	21,063	(11,205)	(3,442)	6,416	—	6,416
Other changes in unrestricted net assets:						
Change in net unrealized gains and losses on investments	(1,026)	2	—	(1,024)	—	(1,024)
Change in liability for pension benefits	90	—	—	90	—	90
Capital contributions	—	30	125	155	—	155
Transfers from affiliate for capital	10,885	—	1,852	12,737	—	12,737
Transfers (to) from affiliate	(18,277)	2,852	3,651	(11,774)	—	(11,774)
Total other changes in unrestricted net assets	(8,328)	2,884	5,628	184	—	184
Increase (decrease) in unrestricted net assets	$ 12,735	(8,321)	2,186	6,600	—	6,600

See accompanying independent auditors' report.

Exhibit II

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Statement of Changes in Net Assets

Year ended December 31, 2011

(Amounts in thousands)

	NMH	MWH	MCON	NMH Total	Eliminations	NMH consolidated
Unrestricted:						
Beginning balance, December 31, 2010	$ 192,612	23,675	18,771	235,058	—	235,058
Excess (deficiency) of revenues over expenses	21,063	(11,205)	(3,442)	6,416	—	6,416
Change in net unrealized gains and losses on investments	(1,026)	2	—	(1,024)	—	(1,024)
Change in liability for pension benefits	90	—	—	90	—	90
Capital contributions	—	30	125	155	—	155
Transfers (to) from affiliate for capital	10,885	—	1,852	12,737	—	12,737
Transfers (to) from affiliates	(18,277)	2,851	3,652	(11,774)	—	(11,774)
Ending balance, December 31, 2011	$ 205,347	15,353	20,958	241,658	—	241,658
Temporarily restricted:						
Beginning balance, December 31, 2010	$ 23,289	6,840	6,730	36,859	—	36,859
Restricted gifts and grants	—	—	396	396	—	396
Change in beneficial interest in the Foundation	(2,725)	(6,840)	(973)	(10,538)	—	(10,538)
Ending balance, December 31, 2011	$ 20,564	—	6,153	26,717	—	26,717
Permanently restricted:						
Beginning balance, December 31, 2010	$ —	—	1,406	1,406	—	1,406
Change in beneficial interest in the Foundation	300	—	—	300	—	300
Ending balance, December 31, 2011	$ 300	—	1,406	1,706	—	1,706

See accompanying independent auditors' report.

Exhibit III

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Balance Sheet

December 31, 2011

(Amounts in thousands)

Assets	NMHS	MHP	Self-Insured Trust	NMHS total	Eliminations	NMHS total
Current assets:						
Cash and cash equivalents	$ 8,207	58	71	8,336	—	8,336
Other receivables	354	—	246	600	—	600
Inventories	6	—	—	6	—	6
Prepaid expenses	229	15	—	244	—	244
Due from affiliates	8,684	—	—	8,684	—	8,684
Total current assets	17,480	73	317	17,870	—	17,870
Investments and assets limited as to use:						
Long-term investments	—	—	12,626	12,626	—	12,626
Bond trust fund investments	261	—	—	261	—	261
Total investments and assets limited as to use	261	—	12,626	12,887	—	12,887
Property and equipment:						
Land	7,888	—	—	7,888	—	7,888
Land improvements	1,332	—	—	1,332	—	1,332
Buildings and improvements	15,389	—	—	15,389	—	15,389
Equipment and furnishings	8,786	50	—	8,836	—	8,836
Construction in progress	332	—	—	332	—	332
Total property and equipment	33,727	50	—	33,777	—	33,777
Less accumulated depreciation	19,145	33	—	19,178	—	19,178
Total property and equipment, net	14,582	17	—	14,599	—	14,599
Other assets:						
Deferred financing costs	157	—	—	157	—	157
Beneficial interest in the net assets of the Foundation	69,868	—	—	69,868	—	69,868
Investment in unconsolidated entities	636	17	—	653	—	653
Other	2,944	—	—	2,944	—	2,944
Total other assets	73,605	17	—	73,622	—	73,622
Total assets	$ 105,928	107	12,943	118,978	—	118,978

(Continued)

Exhibit III

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Balance Sheet

December 31, 2011

(Amounts in thousands)

Liabilities and Net Assets	NMHS	MHP	Self-Insured Trust	NMHS total	Eliminations	NMHS total
Current liabilities:						
Accounts payable	$ 1,193	56	—	1,249	—	1,249
Accrued salaries, wages, and benefits	8,700	—	—	8,700	—	8,700
Other accrued liabilities	697	—	1,746	2,443	—	2,443
Due to affiliates	—	566	2	568	—	568
Total current liabilities	10,590	622	1,748	12,960	—	12,960
Liability for pension benefits	52,117	—	—	52,117	—	52,117
Other long-term liabilities	2,940	—	6,381	9,321	—	9,321
Conditional asset retirement obligation	929	—	—	929	—	929
Long-term debt and capital lease obligations, net of current portion	3,797	—	—	3,797	—	3,797
Total liabilities	70,373	622	8,129	79,124	—	79,124
Net assets:						
Unrestricted	(34,313)	(515)	4,814	(30,014)	—	(30,014)
Temporarily restricted	69,489	—	—	69,489	—	69,489
Permanently restricted	379	—	—	379	—	379
Total net assets	35,555	(515)	4,814	39,854	—	39,854
Total liabilities and net assets	$ 105,928	107	12,943	118,978	—	118,978

See accompanying independent auditors' report.

Exhibit III

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Statement of Operations

Year ended December 31, 2011

(Amounts in thousands)

	NMHS	MHP	Self-Insured Trust	NMHS total	Eliminations	NMHS total
Unrestricted revenues, gains, and other support:						
Cafeteria, rental, and other	$ 2,888	514	2,527	5,929	—	5,929
Total revenues, gains, and other support	2,888	514	2,527	5,929	—	5,929
Expenses:						
Salaries and wages	22,978	560	—	23,538	—	23,538
Employee benefits	7,569	—	—	7,569	—	7,569
Professional fees and purchased services	4,490	340	81	4,911	—	4,911
Supplies	516	1	—	517	—	517
Plant and utilities	1,872	22	—	1,894	—	1,894
Depreciation	1,128	2	—	1,130	—	1,130
Interest and amortization	260	—	—	260	—	260
Allocations	(39,554)	—	—	(39,554)	—	(39,554)
Other	1,743	10	2,128	3,881	—	3,881
Total expenses	1,002	935	2,209	4,146	—	4,146
Operating income (loss)	1,886	(421)	318	1,783	—	1,783
Other income (expense):						
Investment income	—	—	351	351	—	351
Income from unconsolidated entities	—	(9)	—	(9)	—	(9)
Income taxes	—	6	—	6	—	6
Total other income, net	—	(3)	351	348	—	348
Excess (deficiency) of revenues over expenses	1,886	(424)	669	2,131	—	2,131
Other changes in unrestricted net assets:						
Change in net unrealized gains and losses on investments	—	—	(214)	(214)	—	(214)
Change in liability for pension benefits	(27,049)	—	—	(27,049)	—	(27,049)
Transfers (to) from affiliate	435	—	—	435	—	435
Total other changes in unrestricted net assets	(26,614)	—	(214)	(26,828)	—	(26,828)
Increase (decrease) in unrestricted net assets	$ (24,728)	(424)	455	(24,697)	—	(24,697)

See accompanying independent auditors' report.

Exhibit III

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Statement of Changes in Net Assets

Year ended December 31, 2011

(Amounts in thousands)

	NMHS	MHP	Self-Insured Trust	NMHS total	Eliminations	NMHS total
Unrestricted:						
Beginning balance, December 31, 2010	$ (9,585)	(91)	4,359	(5,317)	—	(5,317)
Excess (deficiency) of revenues over expenses	1,886	(424)	669	2,131	—	2,131
Change in net unrealized gains and losses on investments	—	—	(214)	(214)	—	(214)
Change in liability for pension benefits	(27,049)	—	—	(27,049)	—	(27,049)
Transfers (to) from affiliates	435	—	—	435	—	435
Ending balance, December 31, 2011	$ (34,313)	(515)	4,814	(30,014)	—	(30,014)
Temporarily restricted:						
Beginning balance, December 31, 2010	$ 70,661	—	—	70,661	—	70,661
Change in beneficial interest in the Foundation	(1,172)	—	—	(1,172)	—	(1,172)
Ending balance, December 31, 2011	$ 69,489	—	—	69,489	—	69,489
Permanently restricted:						
Beginning balance, December 31, 2010	$ 379	—	—	379	—	379
Ending balance, December 31, 2011	$ 379	—	—	379	—	379

See accompanying independent auditors' report.

EXHIBIT 11

EXHIBIT 12

NEBRASKA METHODIST COLLEGE
THE JOSIE HARPER CAMPUS

Nebraska Methodist College (NMC) does not have any programs that are located in the State of Iowa. NMC students are assigned to clinical experiences in Iowa as adjunct to their primary experiences in Nebraska. NMC has a commitment to all students and should a program of study close, all students would be provided the opportunity to complete the program they were enrolled in prior to the closure. Students would also be afforded the opportunity to transfer to another institution if they so chose and NMC would facilitate such process with affected students. Should the unlikely event that the entire college would close (122 year history) the programs of study would establish a teach out schedule allowing enrolled students to complete their plan of study or, efforts would be made to place students in other institutions.

Dennis A. Joslin, PhD
President and CEO

EXHIBIT 13

Resolution Process for an Academic Concern

The resolution process for an academic concern is to provide an impartial review of academic situations and issues for ensuring that the rights of all students are properly recognized and protected. No adverse action will be taken against a student who chooses to utilize this process.

This process is to be used for instances in which a student has an academic concern regarding:

- The grade received in a course
- A decision perceived to be arbitrary, capricious, or applied unequally and impacts one's academic progression.

Sexual harassment/misconduct complaints are handled through the College's *Sexual Harassment Policy..*

Nebraska Methodist College is required to share with institutional or programmatic accreditation agencies information about written complaints received from students. However, the information shared relates to the nature of the complaint and does not include the identity of the student(s) who submitted the complaint. Therefore, the identities of students who submit written complaints shall remain anonymous.

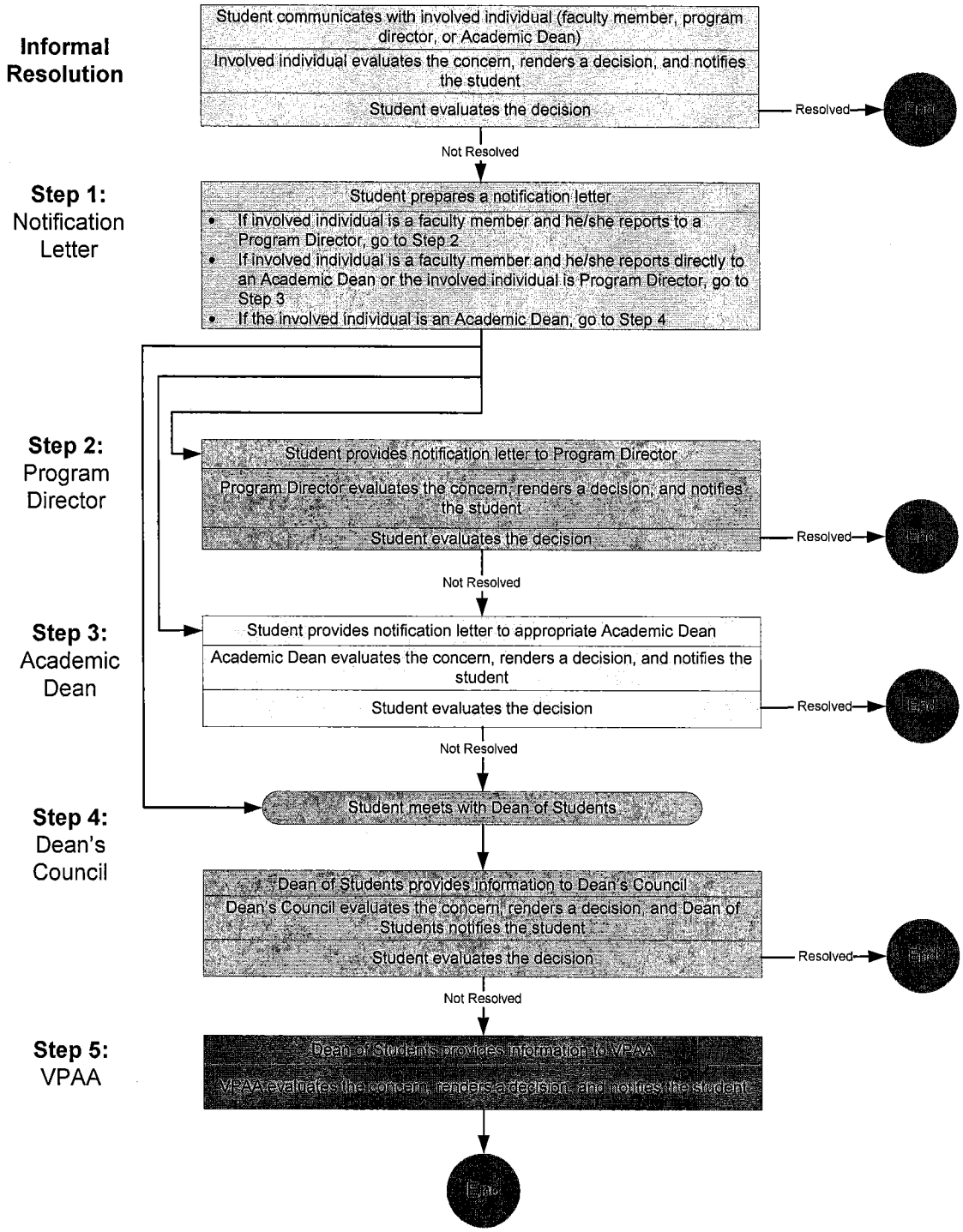
A common academic concern sought by a student is the appeal of a course grade. A faculty member determines the character of a course which includes content, instructional practices, and assessment procedures. Instructors have the right to assign a course grade based on any method that is professionally acceptable, shared with all students, and applied equally. Each student has the right to a course grade based upon an unbiased evaluation of his/her performance and the specified grading procedure. A student has the right to ask for clarification of the basis for his/her grade. In all grade appeals, it is the student's responsibility to justify that the final grade he/she has received in a course should be reviewed.

Valid reasons for initiating the resolution process include, but are not limited to: a failure to follow published course, program, or college policies, a lack of consistency within the student's course section, the grade awarded was motivated by ill will, or concern over the accuracy of the grade calculation.

The following are NOT valid reasons for initiating the resolution process: (i) a disagreement with the application of course policies and/or grading standards, (ii) the requirements or examination standards of an academic program, (iii) issues regarding program accreditation requirements, (iv) concerns over professionally acceptable teaching approaches, (v) differing personalities, and (vi) differences in classroom policies or grading schemes in different courses or between different sections of the same course. The resolution process should not be initiated simply due to its impact on a student's academic progress and standing, ability to receive or maintain a scholarship, or any other monetary award, ability to maintain recognition of distinction, or eligibility for a club or organization.

The resolution process for an academic concern must be initiated no later than one (1) month from the occurrence of the concern. A student is encouraged to talk with the Dean of Students to

allow him/her to offer an assessment of the concern and to clarify the steps of the resolution process.



Prior to initiating the formal resolution process, a student is encouraged to pursue a good-faith attempt at informally resolving the academic concern. The student will communicate the

concern with the involved individual (e.g., faculty member, program director, or Academic Dean) to find a solution. A student may be requested to put their concern in writing. Within five (5) working days from the time the student raised the concern, written or oral, the involved individual will evaluate the concern, render a decision, and notify the student. As part of his/her evaluation, the involved individual may schedule a follow-up conversation with the student and may consult College faculty, staff, or administrators for clarification and/or guidance. At the request of the student or the involved individual, the Dean of Students can be asked to arrange a meeting of those involved, attend such meetings(s), and aid in mediating a resolution. If the involved individual does not act on or resolve the concern to the reasonable satisfaction of the student, the student can initiate Step 1 of the formal resolution process.

Step 1: Within five (5) working days of the student being notified by the involved individual of his/her decision, the student writes a notification letter specifying:

- a statement of facts as the student perceives them, citing specific instances where, in the student's opinion, policies and procedures were violated or are unfairly being applied,
- a summary of the outcome from the attempt at informal resolution,
- the remedy sought by the student, and
- the best method to communicate with the student (phone, e-mail, etc.).

The student is encouraged to seek guidance from the Dean of Students on development of this letter. The student proceeds to:

- Step 2 if the involved individual is a faculty member and he/she reports to a Program Director
- Step 3 if the involved individual is a Program Director
- Step 3 if the involved individual is a faculty member and he/she directly reports to an Academic Dean
- Step 4 if the involved individual is an Academic Dean.

Step 2: The student provides their notification letter to the Program Director. Within five (5) working days from receipt of the letter, the Program Director will evaluate the concern, render a decision, and notify the student via written communication. As part of his/her evaluation, the Program Director may schedule a conversation with the student and may consult College faculty, staff, or administrators for clarification and/or guidance. If the Program Director does not act on or resolve the concern to the reasonable satisfaction of the student, within five (5)days of being notified of the decision, the student can initiate Step 3 of the resolution process.

Step 3: The student provides their notification letter to the appropriate Academic Dean. Within five (5) working days of receipt of the letter, the Academic Dean will evaluate the concern, render a decision, and notify the student via written communication. As part of his/her evaluation, the Academic Dean may schedule a conversation with the student and may consult College faculty, staff, or administrators for clarification and/or guidance. If the Academic Dean does not act on or resolve the concern to reasonable satisfaction of the student, within five (5) days of being notified of the decision, the student must meet with the Dean of Students to initiate Step 4 of the resolution process.

Step 4: The Dean of Students will provide the student's notification letter and the Academic Dean's decision to the Dean's Council for review and consideration. The Academic Dean from Step 2 can be a participant in the discussions, but will be a non-voting member during any deliberations. Within five (5) working days after the Dean's Council meets, the Dean's Council will evaluate the concern, render a decision, and the Dean of Students will notify the student via written communication. As part of their evaluation, the Dean's Council may schedule a conversation with the student and may consult other College faculty, staff, or administrators for guidance and/or clarification. If the Dean's Council does not act on or resolve the concern to the student's satisfaction, within five (5) days of being notified of the decision, the student must meet with the Dean of Students to initiate Step 5 of the resolution process.

Step 5: The Dean of Students will provide the student's notification letter and all decisions from prior steps to the Vice President for Academic Affairs (VPAA) for review and consideration. Within five (5) working days from the VPAA's receipt of the materrials, the VPAA will evaluate the concern, render a decision, and notify the student via written communication. As part of his/her evaluation, the VPAA may schedule a conversation with the student and may consult other College faculty, staff, or administrators for guidance and/or clarification. A decision by the VPAA is final and ends the academic resolution process.

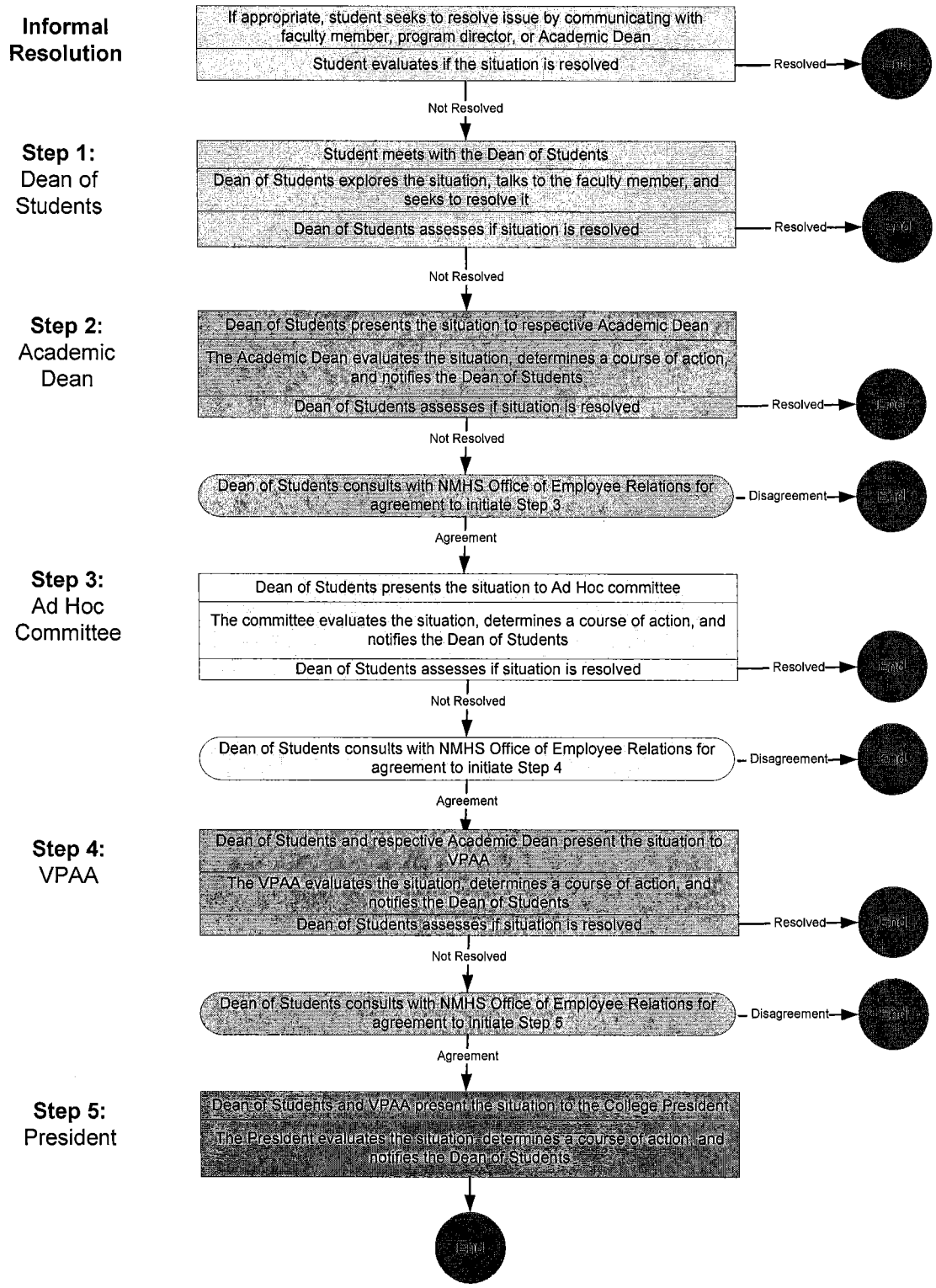
Resolution Process for Handling a Grievance Against a Faculty Member
Nebraska Methodist College is committed to the core values of caring, excellence, holism, learning, and respect. Each faculty member at NMC is obligated to demonstrate professional and civil behavior reflective of the College's core values. The process for handling a grievance against a faculty member is to provide an impartial review of a situation and ensure that the rights of students and faculty are properly recognized and protected. No adverse action will be taken against a student who files a grievance.

Examples of a valid grievance against a faculty member include, but are not limited to: unprofessional behavior, unethical behavior, or prejudicial behavior.

The following are NOT valid reasons for a grievance against a faculty member: differing personalities, failure of a faculty member to recommend a student for an employment position or an academic recognition.

The College's *Resolution Process for an Academic Concern* should be used to address a disagreement about a course grade, a faculty member's exercise of professional judgment in the evaluation of a student's academic performance/progress, a change in a student's standing in an academic program, or a student's dismissal from an academic program or the College. Sexual harassment/misconduct complaints are handled through the College's *Sexual Harassment Policy*..

Nebraska Methodist College is required to share with institutional or programmatic accreditation agencies information about written complaints received from students. However, the information shared relates to the nature of the complaint and does not include the identity of the student(s) who submitted the complaint. Therefore, the identities of students who submit written complaints shall remain anonymous.



Prior to initiating a formal grievance against a faculty member, a student is encouraged, if appropriate, to pursue a good-faith attempt at informally resolving the situation. There are

instances when it is appropriate to go directly to the formal grievance process. The attempt may be made with the involved faculty member or with his/her Program Director or Academic Dean to whom the faculty member reports. Attempts at informal resolution should be initiated within thirty (30) days of a situation occurring. At the request of the student or the faculty member, the Dean of Students can be asked to arrange a meeting of those involved, attend such meetings(s), and aid in mediating a resolution.

If the student is unable to informally resolve his/her issue, the student can initiate the formal grievance process. A formal grievance should be initiated within 45 days of a situation occurring.

Step 1: A student meets with the Dean of Students to allow him/her to assess the issue and offer guidance. The Dean of Students will solicit:

- a statement of facts as the student perceives them, citing specific instances where, in the student's opinion, a violation has occurred;
- a summary of the outcome from the attempt at informal resolution, and
- the remedy sought by the student, if appropriate.

The Dean of Students will develop a written summary of these details and will ask that the student review and agree that they are correct. The Dean of Students will serve as the student's advocate for seeking a resolution to the grievance. In addition to a formal grievance from a student, the Dean of Students is empowered to explore any issue or siutation which may be negatively impacting student success and learning.

As part of his/her review of a situation, the Dean of Students will talk with the faculty member to get their perspective of the situation. The Dean of Students may also consult with College students, faculty, staff, or administrators for information, guidance, and/or clarification. If appropriate, the Dean of Students will seek to resolve the situation. If the Dean of Students is concerned that the situation remains unresolved, he/she can initiate Step 2 of the grievance process.

Step 2: The Dean of Students will present the situation to the appropriate Academic Dean along with a summary of the steps taken to resolve it. Within five (5) working days from the time that the Dean of Students presents the situation to the Academic Dean, the Academic Dean will evaluate the situation, determine a course of action, and notify the Dean of Students via written communication. As part of the review of the situation, the Academic Dean may consult with College students, faculty, staff, or administrators for information, guidance, and/or clarification. If appropriate, the Dean of Students will keep the student apprised of the process, subject to the confidentiality of corrective actions, if warranted, for a faculty member. If the Dean of Students is concerned that the situation remains unresolved or that a course of action is not carried out, the Dean of Students will consult with NMHS's Office of Employee Relations. As part of this consultation, the Dean of Students will not divulge the faculty member's name or the student's name. If there is agreement, the Dean of Students can initiate Step 3 of the grievance process.

Step 3: The Dean of Students will call for a meeting of an ad hoc committee consisting of the Academic Deans and an impartial faculty representative selected by the Faculty Senate President in consultation with the Academic Deans. The committee will be chaired by an Academic Dean

not involved in Step 2. The Dean of Students will present the situation to the committee. Within five (5) working days from this presentation, the committee will evaluate the situation, determine a course of action, and notify the Dean of Students via written communication. As part of the review of a situation, the committee may consult with College students, faculty, staff, or administrators for information, guidance, and/or clarification. The Academic Dean from Step 2 and the Dean of Students can be participants in the discussions but will be non-voting members in determining a course of action. If appropriate, the Dean of Students will keep the student apprised of the process, subject to the confidentiality of corrective actions, if warranted, for a faculty member. If the Dean of Students is concerned that the situation remains unresolved or that a course of action is not carried out, the Dean of Students will consult with NMHS's Office of Employee Relations. As part of this consultation, the Dean of Students will not divulge the faculty member's name or the student's name. If there is agreement, the Dean of Students can initiate Step 4 of the grievance process.

Step 4: The Dean of Students and the Dean from Step 2 will present the situation to the Vice President for Academic Affairs (VPAA). Within five (5) working days from the presentation of the situation, the VPAA will evaluate the situation, determine a course of action, and notify the Dean of Students via written communication. As part of the review of the situation, the VPAA may consult with College students, faculty, staff, or administrators for information, guidance, and/or clarification. If appropriate, the Dean of Students will keep the student apprised of the process, subject to the confidentiality of corrective actions, if warranted, for a faculty member. If the Dean of Students is concerned that the situation remains unresolved or that a course of action is not carried out, the Dean of Students will consult with NMHS's Office of Employee Relations. As part of this consultation, the Dean of Students will not divulge the faculty member's name or the student's name. If there is agreement, the Dean of Students can initiate Step 5 of the grievance process.

Step 5: The Dean of Students and the VPAA will present the issue to the College President. Within five (5) working days from the presentation to the College President, the President will evaluate the situation, determine a course of action, and notify the Dean of Students via written communication. As part of the review of a situation, the President may consult with College students, faculty, staff, or administrators for information, guidance, and/or clarification. If appropriate, the Dean of Students will keep the student apprised of the process, subject to the confidentiality of corrective actions, if warranted, for a faculty member. The President's decision is final and ends the grievance process.

EXHIBIT 14

Nebraska's
Coordinating Commission for Postsecondary Education
CCPE

P.O. Box 95005, Lincoln, NE 68509-5005 • 140 N. 8th St., Suite 300, Lincoln, NE 68508
Telephone: 402/471-2847 • Fax: 402/471-2886 • www.ccpe.state.ne.us
Marshall A. Hill, Ph.D., Executive Director

Promoting high quality, ready access, and efficient use of resources in Nebraska higher education.

August 2, 2011

Dennis Joslin
President
Nebraska Methodist College
720 N. 87th Street
Omaha, NE 68114-2852

Dear President:

In May 2011, LB 637 was signed by Governor Heineman. Sections 1 through 21 of this legislation are known as the Postsecondary Institution Act. Two sections of this legislation will have an impact on your institution.

As I'm sure you are aware, regulations released by the United States Department of Education in October 2010 place certain requirements on states and institutions in order for the institutions to participate in federal financial aid programs (Title IV). One requirement is that an institution be established by name as an educational institution by a state. To help our institutions meet this requirement, LB 637 identifies institutions that are "authorized to operate on a continuing basis". These are institutions that have been in continuous operation in Nebraska for at least 20 years, under the same ownership, offering baccalaureate degrees. At its meeting on July 21, the Coordinating Commission for Postsecondary Education identified by name 15 Nebraska institutions authorized to operate on a continuing basis. The Commission action item, which was unanimously approved, is attached.

A second requirement for institutions to continue to participate in federal financial aid is that the state have a process to review and act on complaints. LB 637 establishes a complaint process for students from any institution in Nebraska that falls under the Postsecondary Institution Act. The intent is that students attempt to resolve issues internally, within the institution and its governance structure. If unsuccessful, the legislation states that they may contact the Coordinating Commission whose staff will work with students and the institution for resolution. If a resolution cannot be reached, the Commission may hold a public hearing.

I'm pleased to provide this information for your files so that you can demonstrate that your institution meets the United States Department of Education's requirements for state authorization. Should you have questions, please contact me or Dr. Kathleen Fimple, the Commission's Academic Programs Officer, at Kathleen.fimple@nebraska.gov or (402-471-0030).

Cordially,

Marshall A. Hill

Marshall A. Hill

Commissioners

Dr. Ron Hunter, Chair
Hay Springs

Riko Bishop, Vice Chair
Lincoln

Colleen A. Adam
Hastings

Clark Anderson
Lincoln

Mary Lauritzen
West Point

Eric Seacrest
North Platte

Dr. Joyce D. Simmons
Valentine

W. Scott Wilson
Papillion

John Winkleblack
Tilden

Carol Zink
Lincoln