

Kapi'olani Medical Specialists

Form 990

Return of Organization Exempt From Income Tax

For The Year Ended 6/30/19

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Ernst & Young LLP



Building a better
working world

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2018

Open to Public Inspection

Form **990**

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

▶ Do not enter Social Security numbers on this form as it may be made public.
▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

A For the 2018 calendar year, or tax year beginning 07/01, 2018, and ending 06/30, 2019

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization KAPI 'OLANI MEDICAL SPECIALISTS Doing Business As		D Employer identification number 99-0322406	
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 55 MERCHANT STREET, 24TH FLOOR		E Telephone number (808) 983-8986	
	City or town, state or province, country, and ZIP or foreign postal code HONOLULU, HI 96813		G Gross receipts \$ 37,763,185.	
	F Name and address of principal officer: MARTHA SMITH 1319 PUNAHOU STREET, HONOLULU, HI 96826		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: WWW.HAWAIIIPACIFICHEALTH.ORG				
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶				
			L Year of formation: 1995	
			M State of legal domicile: HI	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O	
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3	6.
	4	2.
	5	262.
	6	2.
	7a	0.
7b	0.	
Revenue	Revenue	
	8	282,680.
	9	38,635,083.
	10	715.
	11	0.
	12	38,918,478.
	13	0.
	14	0.
	15	39,052,935.
	16a	0.
	16b	0.
	17	12,927,148.
18	51,980,083.	
19	-13,061,605.	
Expenses	Expenses	
	20	8,427,319.
	21	7,959,178.
	22	468,141.
Net Assets or Fund Balances	Net Assets or Fund Balances	
	20	8,427,319.
	21	7,959,178.
	22	468,141.

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Part II Signature Block

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

Sign Here	Signature of officer	Date 5/5/2020
	Type or print name and title EARL INDOYE VICE PRESIDENT	

Paid Preparer Use Only	Print/Type preparer's name JOCELYNE MILLER	Preparer's signature 	Date 4/28/2020	Check <input type="checkbox"/> if self-employed	PTIN P00634378
	Firm's name ▶ ERNST & YOUNG U.S. LLP			Firm's EIN ▶ 34-6565596	
	Firm's address ▶ 4365 EXECUTIVE DR, STE 1600 SAN DIEGO, CA 92121			Phone no. 858-535-7200	

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2018)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III Yes No

1 Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 46,369,945. including grants of \$ 0.) (Revenue \$ 37,486,286.)

SEE SCHEDULE O.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)

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

4e Total program service expenses ▶ 46,369,945.

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Question Text, and Response (Yes/No). Rows include questions 1 through 21 regarding organizational requirements and reporting.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question number, Description, and Yes/No response. Rows 22-38 cover various IRS requirements regarding grants, compensation, tax-exempt bonds, and organizational transactions.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V. [X]

Table with 3 columns: Question number, Description, and Yes/No response. Rows 1a-1c cover Form 1096 reporting, W-2G forms, and backup withholding rules.

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

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. 2a 262		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12 10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b		
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders 11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b		
c	Enter the amount of reserves on hand 13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.		X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.		X

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (6), 1b (2), 2 (X), 3 (X), 4 (X), 5 (X), 6 (X), 7a (X), 7b (X), 8a (X), 8b (X), 9 (X).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a (X), 10b, 11a (X), 11b, 12a (X), 12b (X), 12c (X), 13 (X), 14 (X), 15a (X), 15b (X), 16a (X), 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed HI,
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c) (3)s only) available for public inspection. Indicate how you made these available. Check all that apply. [X] Own website [] Another's website [X] Upon request [] Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records

DONNA MASUDA-KAM 55 MERCHANT ST, 24TH FLOOR HONOLULU, HI 96813

808-535-7355

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

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

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

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) LEE BUENCONSEJO-LUM BOARD OF DIRECTOR	.20 0.	X					0.	0.	0.	
(2) KEITH MATSUMOTO, M.D. BOARD OF DIRECTOR (PART YEAR)	.20 .40	X					0.	0.	0.	
(3) PATRICK O'DONNELL, M.D. BOARD OF DIRECTOR	40.00 0.	X					544,300.	0.	34,788.	
(4) JOY QUENSELL, M.D. BOARD OF DIRECTOR	.20 0.	X					0.	0.	0.	
(5) KENNETH B. ROBBINS, M.D. BOARD OF DIRECTOR	3.00 52.00	X					0.	908,468.	342,005.	
(6) MARTHA SMITH BOARD OF DIRECTOR, CHAIR	2.00 58.00	X		X			0.	775,727.	321,506.	
(7) RAYMOND P. VARA JR. BOARD OF DIRECTOR	.20 61.90	X					0.	1,913,937.	1,048,476.	
(8) MELINDA ASHTON, M.D. EVP & CHIEF QUALITY OFFICER	.10 49.20			X			0.	664,283.	182,169.	
(9) WARREN CHAIKO SVP	2.00 43.00			X			0.	356,279.	121,607.	
(10) CHARLES R. CHING EVP, GEN COUNSEL & SECRETARY	.50 39.50			X			0.	722,661.	299,522.	
(11) DAWN DUNBAR SVP	.10 44.90			X			0.	332,660.	89,767.	
(12) BRANDT FARIAS SVP & CHIEF MARKETING OFFICER	.10 54.90			X			0.	294,062.	88,484.	
(13) DAVID FOX PRIVACY OFFICER	.60 39.40			X			0.	151,349.	30,788.	
(14) EARL INOUYE VP & SYSTEM CONTROLLER	1.00 47.00			X			0.	349,899.	95,408.	

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) ALAN ITO ----- INFORMATION SECURITY OFFICER	.10 ----- 39.90			X				0.	193,015.	31,827.
(16) JENNIFER JONES ----- DIRECTOR OF OPERATIONS	40.00 ----- 0.			X				146,824.	0.	36,523.
(17) GAIL LERCH ----- EVP	1.00 ----- 50.00			X				0.	718,560.	328,353.
(18) JESSICA LEWIS ----- ASSISTANT CORPORATE SECRETARY	2.50 ----- 37.50			X				0.	146,994.	36,804.
(19) LORRIE-ANN LUKE ----- VP	1.50 ----- 49.20			X				0.	236,634.	84,921.
(20) KENNETH T. NAKAMURA, M.D. ----- VICE CHAIR & CMO	27.00 ----- 3.00			X				0.	469,304.	57,954.
(21) SUSAN MASUMOTO-NONAKA ----- VP	.10 ----- 39.90			X				0.	349,257.	92,996.
(22) DAVID OKABE ----- EVP, CFO & TREASURER	1.00 ----- 49.00			X				0.	893,564.	398,013.
(23) STEVEN ROBERTSON ----- EVP & CIO	1.00 ----- 51.60			X				0.	704,627.	309,769.
(24) MICHAEL ROBINSON ----- VP	.10 ----- 49.90			X				0.	268,791.	74,616.
(25) KATIE SHIGEMITSU ----- COMPLIANCE OFFICER	1.00 ----- 39.00			X				0.	197,801.	34,552.
1b Sub-total								544,300.	6,469,325.	2,654,520.
c Total from continuation sheets to Part VII, Section A								3,381,274.	4,635,941.	1,716,189.
d Total (add lines 1b and 1c)								3,925,574.	11,105,266.	4,370,709.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 122

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 1		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ► 3

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(26) DAVID STUMBAUGH ----- VP	1.50 ----- 38.50			X				0.	229,315.	66,991.
(27) SIDNEY JOHNSON ----- PHYSICIAN	40.00 ----- 0.					X		755,197.	0.	33,401.
(28) DEVIN PUAPONG ----- PHYSICIAN	40.00 ----- 0.					X		674,057.	0.	32,801.
(29) RUSSELL WOO ----- PHYSICIAN	40.00 ----- 0.					X		674,896.	0.	31,394.
(30) ROBERT DURKIN ----- PHYSICIAN	40.00 ----- 0.					X		594,012.	0.	32,694.
(31) SUSAN TAN ----- PHYSICIAN	40.00 ----- 0.					X		536,288.	0.	22,574.
(32) THOMAS MUNDELL ----- FORMER OFFICER	0. ----- 0.						X	0.	228,079.	10,006.

1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **▶** 122

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation

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

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d	275,782.				
	e Government grants (contributions) . .	1e					
	f All other contributions, gifts, grants, and similar amounts not included above .	1f					
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f ▶			275,782.			
Program Service Revenue	2a PATIENT SERVICE REVENUE	Business Code	900099	21,399,418.	21,399,418.		
	b SERVICE CONTRACTS		900099	16,038,745.	16,038,745.		
	c PREMIUM REVENUE		900099	48,123.	48,123.		
	d _____						
	e _____						
	f All other program service revenue						
	g Total. Add lines 2a-2f ▶			37,486,286.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts). ▶			1,117.			1,117.
	4 Income from investment of tax-exempt bond proceeds . ▶			0.			
	5 Royalties ▶			0.			
	6a Gross rents	(i) Real	(ii) Personal				
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss) ▶			0.			
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	b Less: cost or other basis and sales expenses						
	c Gain or (loss)						
	d Net gain or (loss) ▶			0.			
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 a			0.			
	b Less: direct expenses b			0.			
	c Net income or (loss) from fundraising events ▶			0.			
	9a Gross income from gaming activities. See Part IV, line 19 a			0.			
b Less: direct expenses b			0.				
c Net income or (loss) from gaming activities ▶			0.				
10a Gross sales of inventory, less returns and allowances a			0.				
b Less: cost of goods sold b			0.				
c Net income or (loss) from sales of inventory ▶			0.				
Miscellaneous Revenue			Business Code				
11a _____							
b _____							
c _____							
d All other revenue							
e Total. Add lines 11a-11d ▶			0.				
12 Total revenue. See instructions. ▶			37,763,185.	37,486,286.			1,117.

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	0.			
2 Grants and other assistance to domestic individuals. See Part IV, line 22	0.			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	796,395.	617,364.	179,031.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	33,131,558.	32,784,027.	347,531.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,033,509.	930,680.	102,829.	
9 Other employee benefits	3,875,074.	2,500,368.	1,374,706.	
10 Payroll taxes	1,820,287.	1,732,852.	87,435.	
11 Fees for services (non-employees):				
a Management	0.			
b Legal	0.			
c Accounting	220,115.		220,115.	
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17.	0.			
f Investment management fees	0.			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	4,836,720.	3,499,035.	1,337,685.	
12 Advertising and promotion	314.	314.		
13 Office expenses	328,320.	282,284.	46,036.	
14 Information technology	0.			
15 Royalties	0.			
16 Occupancy	2,323,459.	2,179,089.	144,370.	
17 Travel	68,160.	65,631.	2,529.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	4,375.	4,375.		
20 Interest	72,407.	72,407.		
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	216,833.	216,833.		
23 Insurance	1,406,741.	1,366,529.	40,212.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a CORPORATE ALLOCATION	3,852,336.		3,852,336.	
b OTHER PURCHASES	156,865.	109,072.	47,793.	
c OTHER EXPENSES	87,383.	9,085.	78,298.	
d SPECIFIC PURPOSE EXPENSE	2,745.		2,745.	
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	54,233,596.	46,369,945.	7,863,651.	
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0.			

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	0.	1	0.
	2 Savings and temporary cash investments	313,343.	2	520,043.
	3 Pledges and grants receivable, net	0.	3	0.
	4 Accounts receivable, net	2,027,564.	4	1,875,242.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0.	5	0.
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0.	6	0.
	7 Notes and loans receivable, net	0.	7	0.
	8 Inventories for sale or use	0.	8	0.
	9 Prepaid expenses and deferred charges	475,082.	9	516,909.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 3,139,669.		
	b Less: accumulated depreciation	10b 1,969,103.	1,363,557.	10c 1,170,566.
	11 Investments - publicly traded securities	0.	11	0.
	12 Investments - other securities. See Part IV, line 11	0.	12	0.
	13 Investments - program-related. See Part IV, line 11	0.	13	0.
	14 Intangible assets	0.	14	0.
	15 Other assets. See Part IV, line 11	4,247,773.	15	4,557,822.
16 Total assets. Add lines 1 through 15 (must equal line 34)	8,427,319.	16	8,640,582.	
Liabilities	17 Accounts payable and accrued expenses	5,169,219.	17	5,857,130.
	18 Grants payable	0.	18	0.
	19 Deferred revenue	0.	19	0.
	20 Tax-exempt bond liabilities	0.	20	0.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0.	21	0.
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0.	22	0.
	23 Secured mortgages and notes payable to unrelated third parties	0.	23	0.
	24 Unsecured notes and loans payable to unrelated third parties	0.	24	0.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	2,789,959.	25	3,339,279.
	26 Total liabilities. Add lines 17 through 25	7,959,178.	26	9,196,409.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	438,724.	27	-582,499.
	28 Temporarily restricted net assets	29,417.	28	26,672.
	29 Permanently restricted net assets	0.	29	0.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	468,141.	33	-555,827.	
34 Total liabilities and net assets/fund balances	8,427,319.	34	8,640,582.	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	37,763,185.
2	Total expenses (must equal Part IX, column (A), line 25)	2	54,233,596.
3	Revenue less expenses. Subtract line 2 from line 1	3	-16,470,411.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	468,141.
5	Net unrealized gains (losses) on investments	5	0.
6	Donated services and use of facilities	6	0.
7	Investment expenses	7	0.
8	Prior period adjustments	8	0.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	15,446,443.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	-555,827.

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

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

Name of the organization

KAPI'OLANI MEDICAL SPECIALISTS

Employer identification number

99-0322406

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**.
Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.

- a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

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

Schedule A (Form 990 or 990-EZ) 2018

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Table with 7 columns: (a) 2014, (b) 2015, (c) 2016, (d) 2017, (e) 2018, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2014, (b) 2015, (c) 2016, (d) 2017, (e) 2018, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources; 9 Net income from unrelated business activities; 10 Other income; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities; 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Line number, Description, and Percentage. Rows include: 14 Public support percentage for 2018; 15 Public support percentage from 2017 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2018; b 33 1/3% support test - 2017; 17a 10%-facts-and-circumstances test - 2018; b 10%-facts-and-circumstances test - 2017; 18 Private foundation.

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II.
 If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	93,308.	95,759.	54,199.	282,680.	275,782.	801,728.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	28,067,537.	30,789,026.	31,865,822.	38,635,083.	37,486,286.	166,843,754.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0.
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0.
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0.
6 Total. Add lines 1 through 5.	28,160,845.	30,884,785.	31,920,021.	38,917,763.	37,762,068.	167,645,482.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year	935,064.	890,075.	866,704.	880,321.	941,975.	4,514,139.
c Add lines 7a and 7b.	935,064.	890,075.	866,704.	880,321.	941,975.	4,514,139.
8 Public support. (Subtract line 7c from line 6.)						163,131,343.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
9 Amounts from line 6.	28,160,845.	30,884,785.	31,920,021.	38,917,763.	37,762,068.	167,645,482.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	422.	329.	443.	715.	1,117.	3,026.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0.
c Add lines 10a and 10b	422.	329.	443.	715.	1,117.	3,026.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on.						0.
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)	28,161,267.	30,885,114.	31,920,464.	38,918,478.	37,763,185.	167,648,508.
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2018 (line 8, column (f), divided by line 13, column (f))	15	97.31 %
16 Public support percentage from 2017 Schedule A, Part III, line 15	16	97.23 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f)),	17	.00 %
18 Investment income percentage from 2017 Schedule A, Part III, line 17	18	.00 %

- 19a 33 1/3% support tests - 2018.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization.
- b 33 1/3% support tests - 2017.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization.
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>	1	
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>	2	

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>	1	

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 Activities Test. Answer (a) and (b) below.		Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>	2a		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>	2b		
3 Parent of Supported Organizations. Answer (a) and (b) below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>	3a		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>	3b		

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

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

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

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d Total (add lines 1a, 1b, and 1c)	1d		
e Discount claimed for blockage or other factors (explain in detail in Part VI):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035.	6		
7 Recoveries of prior-year distributions	7		
8 Minimum Asset Amount (add line 7 to line 6)	8		

Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1.	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3.	4		
5 Income tax imposed in prior year	5		
6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6		

7 Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

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

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2018 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required - explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2018			
a From 2013			
b From 2014			
c From 2015			
d From 2016			
e From 2017			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2018 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2018, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6 Remaining underdistributions for 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7 Excess distributions carryover to 2019. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2014			
b Excess from 2015			
c Excess from 2016			
d Excess from 2017			
e Excess from 2018			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Schedule of Contributors

2018

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
 ▶ Go to www.irs.gov/Form990 for the latest information.

Name of the organization KAPI'OLANI MEDICAL SPECIALISTS	Employer identification number 99-0322406
--	--

Organization type (check one):

Filers of:

Section:

- Form 990 or 990-EZ 501(c)(3) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization
- Form 990-PF 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization **KAPI'OLANI MEDICAL SPECIALISTS**

Employer identification number
99-0322406

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 275,782.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization **KAPI 'OLANI MEDICAL SPECIALISTS**

Employer identification number

99-0322406

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

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

Name of organization **KAPI 'OLANI MEDICAL SPECIALISTS**

Employer identification number
99-0322406

Part III **Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor.** Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ► \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2018

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Attach to Form 990.

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

Name of the organization

KAPI 'OLANI MEDICAL SPECIALISTS

Employer identification number

99-0322406

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Line number, Description, (a) Donor advised funds, (b) Funds and other accounts. Includes rows for total number at end of year, aggregate values, and yes/no questions about donor advisement.

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 3 columns: Line number, Description, and Held at the End of the Tax Year. Includes rows for purpose(s) of easements, total number, acreage, and monitoring expenses.

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Line number, Description, and Amount. Includes rows for reporting requirements for art and historical treasures.

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

Schedule D (Form 990) 2018

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other _____
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? **Yes** **No**

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? **Yes** **No**
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? **Yes** **No**
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds.

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

- a** Board designated or quasi-endowment ▶ _____ %
- b** Permanent endowment ▶ _____ %
- c** Temporarily restricted endowment ▶ _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i)** unrelated organizations
- (ii)** related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

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

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

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		106,547.	104,195.	2,352.
d Equipment		2,959,465.	1,864,908.	1,094,557.
e Other		73,657.		73,657.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				1,170,566.

Part VII Investments - Other Securities.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

ATTACHMENT 1	(a) Description	(b) Book value
(1)	VARIOUS DEFERRED CHARGES	1,431,096.
(2)	LIFE INSURANCE CSV	689,992.
(3)	OTHER RECEIVABLES	480,810.
(4)	DUE FROM	
(5)	KMCWC	967,246.
(6)	GOVERNMENT AGENCIES	589,000.
(7)	HAWAI'I HEALTH PARTNERS	233,032.
(8)	KAPI'OLANI HEALTH FOUNDATION	65,740.
(9)	STRAUB FOUNDATION	40,414.
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶		4,557,822.

Part X Other Liabilities.

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

1.	(a) Description of liability	(b) Book value
(1)	Federal income taxes ATTACHMENT 2	
(2)	457B LIABILITY	1,401,086.
(3)	DEFERRED STRAIGHT LINE RENT LESSEE	624,408.
(4)	DEF TENANT IMPROV ALLOWANCE LESSEE	27,911.
(5)	CAPITAL ACCUMULATION LIABILITY	4,571.
(6)	ESCHEAT LIABILITY	3,683.
(7)	DUE TO	
(8)	HAWAI'I PACIFIC HEALTH	1,170,323.
(9)	STRAUB CLINIC AND HOSPITAL	69,440.
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶		3,339,279.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

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

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

Table with 5 main rows and sub-rows (a-e) for adjustments. Columns include descriptions, sub-headers (2a-2d, 4a-4b), and totals (2e, 3, 4c, 5).

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

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

Table with 5 main rows and sub-rows (a-e) for adjustments. Columns include descriptions, sub-headers (2a-2d, 4a-4b), and totals (2e, 3, 4c, 5).

Part XIII Supplemental Information.

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

Multiple horizontal lines provided for entering supplemental information.

Part XIII Supplemental Information (continued)ATTACHMENT 1SCHEDULE D, PART IX - OTHER ASSETS

<u>DESCRIPTION</u>	<u>BOOK VALUE</u>
DUE FROM	
WILCOX MEMORIAL HOSPITAL	33,734.
HAWAI'I PACIFIC HEALTH RSCH	26,758.
TOTALS	<u>4,557,822.</u>

ATTACHMENT 2SCHEDULE D, PART X - OTHER LIABILITIES

<u>DESCRIPTION</u>	<u>BOOK VALUE</u>
DUE TO	
PALI MOMI MEDICAL CENTER	30,649.
KAUA'I MEDICAL CLINIC	7,096.
PALI MOMI FOUNDATION	100.
WILCOX HEALTH FOUNDATION	12.
TOTALS	<u>3,339,279.</u>

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

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

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

KAPI'OLANI MEDICAL SPECIALISTS

Employer identification number

99-0322406

Part I Questions Regarding Compensation

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

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

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

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

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

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

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

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III.

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1a		
1b		
2		
3		
4a	X	
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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

Schedule J (Form 990) 2018

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 MELINDA ASHTON, M.D. EVP & CHIEF QUALITY OFFICER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	422,470.	149,439.	92,374.	167,027.	15,142.	846,452.	85,664.
2 WARREN CHAIKO SVP	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	246,758.	60,781.	48,740.	96,354.	25,253.	477,886.	40,576.
3 CHARLES R. CHING EVP, GEN COUNSEL & SECRETARY	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	387,289.	143,240.	192,132.	277,290.	22,232.	1,022,183.	145,433.
4 DAWN DUNBAR SVP	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	271,166.	49,693.	11,801.	67,020.	22,747.	422,427.	0.
5 BRANDT FARIAS SVP & CHIEF MARKETING OFFICER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	210,079.	53,281.	30,702.	78,939.	9,545.	382,546.	30,085.
6 DAVID FOX PRIVACY OFFICER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	149,779.	0.	1,570.	15,841.	14,947.	182,137.	0.
7 EARL INOUE VP & SYSTEM CONTROLLER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	262,052.	46,572.	41,275.	80,579.	14,829.	445,307.	39,396.
8 ALAN ITO INFORMATION SECURITY OFFICER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	173,000.	17,349.	2,666.	18,146.	13,681.	224,842.	0.
9 JENNIFER JONES DIRECTOR OF OPERATIONS	(i)	133,971.	12,853.	0.	12,710.	23,813.	183,347.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 GAIL LERCH EVP	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	405,638.	149,264.	163,658.	318,663.	9,690.	1,046,913.	163,008.
11 JESSICA LEWIS ASSISTANT CORPORATE SECRETARY	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	146,994.	0.	0.	12,738.	24,066.	183,798.	0.
12 LORRIE-ANN LUKE VP	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	187,944.	33,615.	15,075.	60,729.	24,192.	321,555.	29,504.
13 KENNETH T. NAKAMURA, M. VICE CHAIR & CMO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	150,040.	25,304.	293,960.	45,860.	12,094.	527,258.	24,660.
14 SUSAN MASUMOTO-NONAKA VP	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	251,114.	54,790.	43,353.	78,601.	14,395.	442,253.	39,290.
15 PATRICK O'DONNELL, M.D. BOARD OF DIRECTOR	(i)	521,505.	4,764.	18,031.	11,000.	23,788.	579,088.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16 DAVID OKABE EVP, CFO & TREASURER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	500,415.	187,300.	205,849.	383,699.	14,314.	1,291,577.	202,213.

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 KENNETH B. ROBBINS, M.D. BOARD OF DIRECTOR	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	471,387.	159,966.	277,115.	326,911.	15,094.	1,250,473.	257,608.
2 STEVEN ROBERTSON EVP & CIO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	403,975.	148,888.	151,764.	294,455.	15,314.	1,014,396.	157,506.
3 MICHAEL ROBINSON VP	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	212,168.	37,258.	19,365.	65,066.	9,550.	343,407.	34,211.
4 KATIE SHIGEMITSU COMPLIANCE OFFICER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	196,308.	0.	1,493.	20,666.	13,886.	232,353.	0.
5 MARTHA SMITH BOARD OF DIRECTOR, CHAIR	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	456,311.	178,256.	141,160.	306,392.	15,114.	1,097,233.	181,252.
6 DAVID STUMBAUGH VP	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	189,716.	23,870.	15,729.	45,536.	21,455.	296,306.	0.
7 RAYMOND P. VARA JR. BOARD OF DIRECTOR	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	983,890.	524,511.	405,536.	1,024,223.	24,253.	2,962,413.	552,114.
8 SIDNEY JOHNSON PHYSICIAN	(i)	709,155.	3,818.	42,224.	11,000.	22,401.	788,598.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 DEVIN PUAPONG PHYSICIAN	(i)	639,754.	509.	33,794.	11,000.	21,801.	706,858.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 RUSSELL WOO PHYSICIAN	(i)	635,600.	4,327.	34,969.	11,000.	20,394.	706,290.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 ROBERT DURKIN PHYSICIAN	(i)	561,690.	947.	31,375.	11,000.	21,694.	626,706.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12 SUSAN TAN PHYSICIAN	(i)	368,222.	7,982.	160,084.	11,000.	11,574.	558,862.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13 THOMAS MUNDELL FORMER OFFICER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	0.	0.	228,079.	0.	10,006.	238,085.	0.
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

FORM 990, SCHEDULE J, PART I, LINE 3

SUPPLEMENTAL COMPENSATION INFORMATION

THE ORGANIZATION'S CHAIR IS PAID BY ITS TAX EXEMPT PARENT, HAWAI'I
PACIFIC HEALTH ('HPH'), AND IS DISCLOSED AS A PERSON PAID BY A RELATED
ORGANIZATION. SEE SCHEDULE O FORM 990 PART VI, LINE 15A FOR THE PROCESS
USED BY HPH TO DETERMINE COMPENSATION.

FORM 990, SCHEDULE J, PART I, LINE 4A

SEVERANCE PAY

THE FOLLOWING INDIVIDUAL RECEIVED A SEVERANCE PAYMENT DURING THE YEAR:

THOMAS MUNDELL - \$228,079

FORM 990, SCHEDULE J, PART I, LINE 4B

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

THE RESTORATION PLAN WAS DESIGNED TO RESTORE BENEFITS THAT ARE LOST DUE
TO LIMITS IMPOSED BY SECTIONS 401 AND 415 OF THE INTERNAL REVENUE CODE ON
COMPENSATION CONSIDERED UNDER SUCH PLANS.

AMOUNTS PAID OUT DURING THE YEAR BY THE ORGANIZATION:

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

RAYMOND P. VARA JR. - \$177,421

KENNETH B. ROBBINS, MD - \$126,800

DAVID OKABE - \$64,485

MARTHA SMITH - \$48,863

GAIL LERCH - \$51,544

CHARLES R. CHING - \$42,085

STEVEN ROBERTSON - \$46,746

ANNUAL AND LONG TERM INCENTIVE PLAN

THE ANNUAL AND LONG TERM INCENTIVE PLANS ARE AFFORDED TO EXECUTIVES ON ANNUAL AND LONG TERM SYSTEM GOALS THAT ARE NOT BASED ON A PERCENTAGE OF NET EARNINGS.

AMOUNT PAID OUT DURING THE YEAR BY RELATED ORGANIZATIONS:

RAYMOND P. VARA JR. - \$404,511

KENNETH B. ROBBINS, M.D. - \$139,966

DAVID OKABE - \$147,300

GAIL LERCH - \$119,264

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

CHARLES R. CHING - \$113,240

STEVEN ROBERTSON - \$118,888

MARTHA SMITH - \$143,255

MELINDA ASHTON, M.D. - \$124,439

EARL INOUYE - \$46,572

SUSAN NONAKA - \$44,790

WARREN CHAIKO - \$60,780

KENNETH T. NAKAMURA, M.D. - \$24,668

MICHAEL ROBINSON - \$37,258

BRANDT FARIAS - \$48,281

LORRIE-ANN LUKE - \$33,615

DAVID STUMBAUGH - \$22,610

DAWN DUNBAR - \$49,694

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

Department of the Treasury
Internal Revenue Service

Name of the organization

KAPI'OLANI MEDICAL SPECIALISTS

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Employer identification number

99-0322406

FORM 990, PART I, LINE 1

MISSION STATEMENT

KAPI'OLANI MEDICAL SPECIALISTS, AN AFFILIATE OF HAWAI'I PACIFIC HEALTH,
IS A SPECIALTY PHYSICIAN GROUP THAT SERVES WOMEN AND CHILDREN THROUGH
ACADEMICS, RESEARCH AND CLINICAL CARE, IN PARTNERSHIP WITH KAPI'OLANI
MEDICAL CENTER FOR WOMEN AND CHILDREN.

FORM 990, PART III, LINE 1

MISSION STATEMENT

KAPI'OLANI MEDICAL SPECIALISTS IS A SPECIALTY PHYSICIAN GROUP DEDICATED
TO PROVIDING WORLD-CLASS CARE FOR HAWAI'I'S WOMEN AND CHILDREN THROUGH
ACADEMICS, RESEARCH AND CLINICAL CARE. WORKING IN PARTNERSHIP WITH
KAPI'OLANI MEDICAL CENTER FOR WOMEN & CHILDREN, THE GROUP'S MISSION IS
CARING FOR THE COMMUNITY THROUGH MEDICAL AND ACADEMIC EXCELLENCE.

FORM 990, PART III, LINE 4A

PROGRAM SERVICE ACCOMPLISHMENTS

KAPI'OLANI MEDICAL SPECIALISTS HAS 123 PEDIATRIC SPECIALISTS AND
SUB-SPECIALISTS IN 34 SPECIALTIES INCLUDING PEDIATRIC INTENSIVE CARE,
NEONATOLOGY, PEDIATRIC RHEUMATOLOGY, PSYCHIATRY/COUNSELING, BEHAVIORAL
HEALTH SERVICES, MEDICAL GENETICS, GYNECOLOGY-ONCOLOGY, PEDIATRIC
HEMATOLOGY-ONCOLOGY, RESEARCH, PEDIATRIC HOSPITALISTS, ADULT HOSPITALISTS
(INTERNAL MEDICINE), PEDIATRIC SURGERY, PEDIATRIC UROLOGY, PEDIATRIC
ORTHOPEDICS AND SPORTS MEDICINE, PEDIATRIC ENDOCRINOLOGY, PEDIATRIC

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NEUROLOGY, PEDIATRIC GASTROENTEROLOGY, PEDIATRIC SEDATION, PEDIATRIC NEPHROLOGY, NEUROSURGERY, OTOLARYNGOLOGY, ADOLESCENT MEDICINE, AND PALLIATIVE CARE. IN FISCAL YEAR 2019, KAPI'OLANI MEDICAL SPECIALISTS HAD 82,753 PATIENT VISITS.

KAPI'OLANI MEDICAL SPECIALISTS ALLIES WITH THE UNIVERSITY OF HAWAI'I JOHN A. BURNS SCHOOL OF MEDICINE, IN ADHERENCE TO ITS CORE VALUES OF WORLD-CLASS HEALTH CARE, PHYSICIAN TRAINING, AND MEDICAL RESEARCH. THIS PARTNERSHIP PROVIDES A UNIQUE ACADEMIC AFFILIATION FOR HAWAI'I PACIFIC HEALTH AND FURTHERS ITS COMMITMENT TO EFFECTIVE HEALTH CARE THROUGH MEDICAL RESEARCH AND BY TRAINING TOMORROW'S HEALTH CARE PROVIDERS.

KAPI'OLANI MEDICAL SPECIALISTS HAS DEVELOPED A VARIETY OF WAYS TO IDENTIFY AND MEET THE UNIQUE HEALTH CARE NEEDS OF HAWAI'I'S WOMEN AND CHILDREN. KAPI'OLANI MEDICAL SPECIALISTS RECRUITS PHYSICIANS FROM THROUGHOUT THE NATION WHO DESIRE EMPLOYMENT IN A GROUP PRACTICE SETTING WITH HAWAI'I'S LEADING PEDIATRIC HOSPITAL, ESPECIALLY SUB-SPECIALISTS IN SHORT SUPPLY, YET HIGH DEMAND. KAPI'OLANI MEDICAL SPECIALISTS DOCTORS PROVIDE ESSENTIAL SERVICES AT OTHER HOSPITALS IN THE STATE OF HAWAI'I, I.E., NEONATAL SERVICES AT THE QUEEN'S MEDICAL CENTER, CLINICS AT TRIPLER ARMY MEDICAL CENTER, AND SPECIALTY SERVICES AT KAISER PERMANENTE LOCATIONS. ADDITIONALLY, THEY PROVIDE PATIENT CARE AT OUTREACH CLINICS AND COMMUNITY HEALTH CENTERS THROUGHOUT HAWAI'I, PROMOTE LESSER-KNOWN SERVICES TO PATIENTS WITH SPECIAL NEEDS, PROVIDE HEALTH EDUCATION ON THE NEIGHBOR ISLANDS AND HEALTH CARE TRAINING TO THE COMMUNITY AND OTHER

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PROVIDERS, AND SERVE AS MEDICAL DIRECTORS ON VARIOUS COMMUNITY BOARDS. CARING FOR THE UNDERSERVED, A LONG-STANDING TRADITION OF ACADEMIC MEDICAL CENTERS THROUGHOUT THE NATION, CONTINUES TO BE A MAJOR FOCUS OF KAPI'OLANI MEDICAL SPECIALISTS. IN FISCAL YEAR 2019, THE GROUP PROVIDED \$8,493,869 IN MEDICAL CARE TO PATIENTS WHO WERE UNINSURED OR UNABLE TO PAY FOR THEIR CARE.

FORM 990, PART V, LINE 1A

HAWAI'I PACIFIC HEALTH (HPH), THE ORGANIZATION'S TAX EXEMPT PARENT, PAYS ALL VENDORS. THEREFORE, HPH ISSUES FORM 1099S UNDER ITS TAX ID.

FORM 990, PART VI, LINE 6

MEMBERS/STOCKHOLDERS AND THEIR RIGHTS

HAWAI'I PACIFIC HEALTH (HPH) IS THE SOLE MEMBER WHO HAS THE RIGHT TO PARTICIPATE IN THE ORGANIZATION'S GOVERNANCE WITH THE RIGHT TO APPROVE CERTAIN DECISIONS OF THE GOVERNING BODY.

FORM 990, PART VI, LINE 7A

POWER TO ELECT OR APPOINT MEMBERS

HAWAI'I PACIFIC HEALTH IS THE SOLE MEMBER AND HAS THE POWER TO ELECT MEMBERS OF THE ORGANIZATION'S GOVERNING BODY.

FORM 990, PART VI, LINE 7B

DESCR CLASSES OF PERSONS, DECISIONS REQ APPR & TYPE OF VOTING RIGHTS

HAWAI'I PACIFIC HEALTH, AS MEMBER, HAS THE FOLLOWING RESERVED POWERS:

(I) NOMINATE CANDIDATES TO THE BOARD FOR THE FOLLOWING POSITIONS: THE CHIEF MEDICAL OFFICER, DIRECTOR OF OPERATIONS, TREASURER, SECRETARY, EXEC

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VP/CFO, OTHER EXECUTIVE VP'S, SENIOR VP, ASST. SECRETARIES, AND ALL VP'S EXCEPT THE OPERATING UNIT VP'S, AS SUCH TERMS ARE DEFINED IN THESE BYLAWS;

(II) DELEGATE MANAGEMENT AUTHORITIES FROM THE BOARD TO OFFICERS OR COMMITTEES OF THE CORP IN ACCORDANCE WITH A DELEGATED AUTHORITIES MATRIX ADOPTED BY THE MEMBER BOARD;

(III) AMEND THESE BYLAWS;

(IV) THE CORP'S PARTICIPATION IN ALL LONG TERM FINANCING TRANSACTIONS WHICH ARE IN EXCESS OF 1 YEAR AND/OR FOR \$1,000,000 OR MORE;

(V) SELECT BANKS, TRUST COMPANIES, OR OTHER DEPOSITORIES TO WHICH THE CORPORATION'S FUNDS SHALL BE DEPOSITED;

(VI) DIRECT, MANAGE AND CONTROL THE CUSTODY, THE ADVISORY SERVICE AND ASSET MANAGEMENT OF THE FINANCIAL ASSETS OF THE CORPORATION;

(VII) EFFECT INTER-CORPORATE TRANSFERS BY AND BETWEEN THE CORP AND ANY AFFILIATE;

(VIII) DEVELOP AND IMPLEMENT THE GENERAL POLICIES REGARDING THE CORPORATION'S PHYSICIAN AND EXECUTIVE COMPENSATION AND BENEFIT PLANS;

(IX) FORM A NEW CORP, LIMITED LIABILITY COMPANY, OR PARTNERSHIP OR OTHER ORGANIZATION THAT IS OWNED SOLELY BY THE CORP;

(X) EXCEPT AS PROVIDED IN SECTION 3.2(C) OF THE BYLAWS OR AS REQUIRED BY THE LAWS OF THE STATE OF HAWAI'I, SELL, LEASE OR OTHERWISE TRANSFER 50% OR MORE OF THE THEN CURRENT AMOUNT, AS REPORTED UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, OF THE TOTAL ASSETS HELD BY THE CORP;

(XI) EXCEPT AS PROVIDED IN SECTION 3.2(C) OF THE BYLAWS OR AS REQUIRED BY THE LAWS OF THE STATE OF HAWAI'I, SELL, LEASE OR TRANSFER OF OPERATIONS

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OR ACTIVITIES OF THE CORP WHICH GENERATE 50% OR MORE OF THE TOTAL NET REVENUES, AS REPORTED UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, OF THE CORP DURING THE PRIOR FISCAL YEAR;

(XII) CLOSE THE CLINICAL FACILITIES OWNED AND OPERATED BY THE CORP; PROVIDED THAT AFTER THE EFFECTIVE DATE OF THESE BYLAWS, ANY ELIMINATION OF A CLINICAL SERVICE PROVIDED BY THE CORP MUST ALSO BE APPROVED BY THE BOARD;

(XIII) CONVERT THE CLINICAL FACILITIES OWNED AND OPERATED BY THE CORP INTO A FACILITY NO LONGER OFFERING MEDICAL SERVICES; PROVIDED THAT AFTER THE EFFECTIVE DATE OF THESE BYLAWS, ANY ELIMINATION OF A CLINICAL SERVICE PROVIDED BY THE CORP MUST ALSO BE APPROVED BY THE BOARD;

(XIV) AFTER CONSULTING WITH THE BOARD, REMOVE THE CHIEF MEDICAL OFFICER, DIRECTOR OF OPERATIONS, EXECUTIVE VP/CFO, TREASURER, SECRETARY, OTHER EXECUTIVE VP'S, SENIOR VP'S, ASST SECRETARIES, AND ALL VP'S EXCEPT THE OPERATING UNIT VP'S; PROVIDED, HOWEVER, THAT TO REMOVE OR TERMINATE THE CHIEF MEDICAL OFFICER WILL REQUIRE THE CHIEF MEDICAL OFFICER OF THE MEMBER TO FULLY COLLABORATE AND CONSULT WITH THE BOARD AND SEEK THE BOARD'S ADVANCE CONSENT FOR SUCH REMOVAL OR TERMINATION. IF THE BOARD DOES NOT CONCUR WITH THE PROPOSED REMOVAL OR TERMINATION OF THE CHIEF MEDICAL OFFICER, SUCH REMOVAL OR TERMINATION WILL REQUIRE THE APPROVAL OF A MAJORITY OF THE MEMBERS ON THE MEMBER BOARD;

(XV) AFTER CONSULTING WITH THE BOARD, DEVELOP AND PROMULGATE THE CORP GOALS AND THE LONG RANGE AND STRATEGIC PLANS OF THE CORP; AND

(XVI) AFTER CONSULTING WITH THE BOARD, DEVELOP AND IMPLEMENT THE ANNUAL CAPITAL, OPERATING, AND CASH FLOW BUDGETS.

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IN ADDITION, DECISIONS OF THE GOVERNING BODY REQUIRING THE APPROVAL OF HAWAI'I PACIFIC HEALTH, AS MEMBER, INCLUDE:

(I) ADD ANY DIRECTOR TO THE BOARD;

(II) REMOVE ANY DIRECTOR FROM THE BOARD;

(III) AMEND THE ARTICLES;

(IV) ENTER INTO ANY UNBUDGETED CONTRACTS ON BEHALF OF THE CORPORATION WHICH REQUIRE ANNUAL PAYMENTS ON BEHALF OF THE CORP EXCEEDING \$1,000,000 IN VALUE;

(V) ACQUIRE ASSETS WORTH OVER \$1,000,000;

(VI) ACQUIRE SHARES IN ANOTHER CORP;

(VII) SELL, LEASE OR OTHERWISE TRANSFER 50% OR MORE OF THE THEN CURRENT AMOUNT, AS REPORTED UNDER THE GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, OF THE TOTAL ASSETS HELD BY THE CORP;

(VIII) SELL, LEASE, EXCHANGE OR DISPOSE OF 50% OR MORE OF THE THEN PROPERTY AND ASSETS HELD BY THE CORPORATION;

(IX) SELL, LEASE OR TRANSFER OF OPERATIONS OR ACTIVITIES OF THE CORPORATION WHICH GENERATE 50% OR MORE OF THE TOTAL NET REVENUES, AS REPORTED UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, OF THE CORPORATION DURING THE PRIOR FISCAL YEAR;

(X) MERGE THE CORPORATION WITH ANY ENTITY;

(XI) DISSOLVE OR LIQUIDATE THE CORPORATION;

(XII) ISSUE THE CORPORATION'S MEMBERSHIP TO ANY OTHER THAN THE MEMBER;

(XIII) FORM A JOINT VENTURE OR OTHER BUSINESS RELATIONSHIP (OTHER THAN THE ORDINARY COURSE OF BUSINESS CONTRACTS) BETWEEN THE CORPORATION AND

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ANY PERSON OR ENTITY; AND

(XIV) DEVELOP A NEW LINE OF BUSINESS.

FORM 990, PART VI, LINE 11B

REVIEW OF THE 990 BY THE ORGANIZATION'S GOVERNING BODY

VARIOUS SCHEDULES OF THE 990 ARE PREPARED PRIMARILY BY STAFF WITHIN THE ACCOUNTING AREA OF THE ORGANIZATION WORKING WITH VARIOUS OTHER AREAS OF THE ORGANIZATION SUCH AS MANAGEMENT OF THE OPERATING UNITS, HR, LEGAL, ETC. DISCLOSURE NARRATIVES ARE WRITTEN AND COMPILED INTERNALLY BASED ON INPUT AND DISCUSSION WITH FINANCIAL ANALYSTS AND THE CHIEF OPERATING OFFICER/EXECUTIVE DIRECTOR OF THE REPORTING ENTITY. THE CHIEF OPERATING OFFICER/EXECUTIVE DIRECTOR OF EACH REPORTING ENTITY REVIEWS AND APPROVES THE DISCLOSURE NARRATIVES WHICH DESCRIBES THE MISSION/PURPOSE AND PROGRAM ACCOMPLISHMENTS OF THEIR ORGANIZATION. SENIOR MANAGEMENT OF THE HEALTH CARE SYTEM REVIEWS THE 990 OF EACH FILLING ORGANIZATION WITHIN THE HEALTH CARE SYSTEM. ONCE SENIOR MANAGEMENT HAS COMPLETED ITS REVIEW, THE 990 ARE THEN PROVIDED TO THE GOVERNANCE AND NOMINATING COMMITTEE OF THE HEALTH CARE SYSTEM'S BOARD OF DIRECTORS FOR THEIR REVIEW. THE GOVERNANCE AND NOMINATING COMMITTEE OF THE PARENT'S ENTITY (HPH) BOARD PROVIDES OVERSIGHT FOR THE 990 REPORTING AND REVIEWS THE 990 FOR EACH ENTITY PRIOR TO FILING.

IN ADDITION, THE 990 FOR EACH ENTITY IS MADE AVAILABLE TO THE HPH BOARD OF DIRECTORS THROUGH A BOARD PORTAL FOR REVIEW PRIOR TO THE FILING OF THE 990. COPIES OF THE 990 ARE MADE AVAILABLE TO THE BOARD MEMBERS OF EACH SUBSIDIARY UNIT OF HPH AND IS PHYSICALLY LOCATED AT EACH FACILITY'S SITE

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FOR THE BOARD MEMBER TO REVIEW PRIOR TO FILING. THE 990 WILL BE POSTED TO HPH'S WEB SITE FOR PUBLIC ACCESS AFTER THE FILING OF THE RETURNS WITH THE IRS.

FORM 990, PART VI, LINE 12C

DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST ANNUALLY, EACH DIRECTOR, OFFICER, KEY EMPLOYEE AND MEMBER OF A COMMITTEE WITH BOARD DELEGATED POWERS SHALL ANNUALLY SIGN A STATEMENT WHICH AFFIRMS THAT SUCH PERSON:

- 1) RECEIVED A COPY OF THE CONFLICT OF INTEREST ('COI') POLICY;
- 2) HAS READ AND UNDERSTAND THE POLICY;
- 3) AGREES TO COMPLY WITH THE POLICY; AND
- 4) UNDERSTANDS THAT THE ORGANIZATION IS A CHARITABLE ORGANIZATION AND THAT IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION, THE ORGANIZATION MUST ENGAGE PRIMARILY IN ACTIVITES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT PURPOSES.

THE IN-HOUSE LEGAL DEPARTMENT DISTRIBUTES THE STATEMENT REQUEST AND REVIEWS THE COI STATEMENTS RETURNED. IDENTIFIED CONFLICTS OF INTEREST ARE PRESENTED TO THE BOARD FOR REVIEW, DELIBERATION AND CONFIRMATION/REFUTATION THAT A CONFLICT OF INTEREST EXISTS. IF A CONFLICT OF INTEREST HAS BEEN FOUND, THE INDIVIDUAL MAY ADDRESS THE BOARD AND EXPLAIN THE TRANSACTION OR ARRANGEMENT CAUSING THE CONFLICT. AFTER THE PRESENTATION, THE INDIVIDUAL IS EXCUSED FROM THE MEETING AND SHALL NOT PARTICIPATE WITH ANY DISCUSSION OR VOTE ON MATTERS PERTAINING TO THE TRANSACTION OR ARRANGEMENT.

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IN MEETINGS WHERE APPLICATION OF THE COI POLICY OCCURS, THE MEETING MINUTES INCLUDE NATURE OF THE FINANCIAL INTEREST/CONFLICT, NAME(S) OF THE PERSON(S) WITH THE POTENTIAL OR ACTUAL CONFLICT, ANY ACTION TAKEN TO ASSIST IN THE DETERMINATION OF WHETHER A CONFLICT EXISTED, INCLUDING ANY DISCUSSION OF ALTERNATIVE ARRANGEMENTS, THE BOARD'S DECISION(S) REGARDING THE CONFLICT AND NAMES OF PERSON PRESENT IN THE DISCUSSION AND VOTES RELATING TO THE TRANSACTION OR ARRANGEMENT.

FORM 990, PART VI, LINES 15A & 15B

PROCESS OF DETERMINING COMPENSATION

THE TOP MANAGEMENT OFFICIALS OF THE ORGANIZATION ARE NOT COMPENSATED BY THE FILING ORGANIZATION, BUT RATHER BY THE TAX EXEMPT PARENT HAWAI'I PACIFIC HEALTH (HPH). FOLLOWING IS THE PROCESS THAT THE PARENT ORGANIZATION UNDERTAKES TO APPROVE THE TOP MANAGEMENT OFFICIAL'S COMPENSATION.

COMPENSATION FOR HPH EXECUTIVES (VP AND ABOVE) IS SET BY THE INDEPENDENT BOARD MEMBERS WHO ARE MEMBERS OF THE HPH COMPENSATION COMMITTEE. ON AN ANNUAL BASIS, THE HPH BOARD CHAIRPERSON (WHO IS INDEPENDENT) SELECTS A NEUTRAL THIRD PARTY EXECUTIVE COMPENSATION CONSULTANT TO REVIEW THE EXECUTIVE'S COMPENSATION AND BENEFITS. THE CONSULTANT PROVIDES A WRITTEN REPORT TO THE COMPENSATION COMMITTEE AT ITS ANNUAL MEETING. INCLUDED IN THE REPORT IS MARKET BASED DATA FROM LIKE ORGANIZATIONS. THE COMPENSATION COMMITTEE MAKES FINAL DECISIONS REGARDING COMPENSATION AND BENEFITS AT THE MEETING AFTER REVIEW AND DISCUSSION OF THE CONSULTANT'S REPORT.

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COMMUNITY BASED DIRECTORS OF THE ORGANIZATION ARE NOT COMPENSATED.

CERTAIN EMPLOYED PHYSICIANS MAY BE OFFICERS OR AN IDENTIFIED KEY EMPLOYEE OF THE REPORTING OR RELATED ORGANIZATION. PHYSICIAN COMPENSATION IS ALSO HANDLED IN THE SAME MANNER AS EXECUTIVE COMPENSATION, WITH THE HPH COMPENSATION COMMITTEE RECEIVING A REPORT FROM A NEUTRAL CONSULTANT AND FOLLOWING THE SAME PROCESS AS DESCRIBED ABOVE ON AN ANNUAL BASIS. THIS PROCESS WAS LAST COMPLETED ON MARCH 13, 2019 TO REVIEW PHYSICIAN COMPENSATION AND ON AUGUST 22, 2019 TO REVIEW EXECUTIVE COMPENSATION.

FORM 990, PART VI, LINE 19

DISCLOSURE OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FINANCIAL STMTS
THE CONFLICT OF INTEREST POLICY AND STANDARDS OF CONDUCT ARE AVAILABLE ON THE HAWAI'I PACIFIC HEALTH WEBSITE. THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS ARE AVAILABLE VIA THE HAWAI'I PACIFIC HEALTH WEBSITE.

FORM 990, PART XI, LINE 9

\$ 15,446,444 - EQUITY TRANSFER FROM HPH

\$ (1) - ROUNDING

\$ 15,446,443 - TOTAL

ATTACHMENT 1

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
UNIVERSITY OF HAWAI'I 2440 CAMPUS ROAD BOX 368 HONOLULU, HI 96822	PHYSICIAN SERVICES	1,214,837.
COMPHEALTH, INC.	PHYSICIAN SERVICES	569,509.

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ATTACHMENT 1 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
PO BOX 972651 DALLAS, TX 75397-2651		
RADY CHILDRENS SPECIALISTS OF SAN DIEGO 3020 CHILDRENS WAY MC 5001 SAN DIEGO, CA 92123	PHYSICIAN SERVICES	106,539.

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2018

**Open to Public
Inspection**

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

▶ Attach to Form 990.

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

Department of the Treasury
Internal Revenue Service

Name of the organization

KAPI'OLANI MEDICAL SPECIALISTS

Employer identification number

99-0322406

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) HAWAII PACIFIC HEALTH 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813 99-0246363	ADMIN. SVCS	HI	501(C)(3)	12B, III-FI	N/A		X
(2) KAPI'OLANI HEALTH FOUNDATION 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813 99-0246364	FUNDRAISING	HI	501(C)(3)	7	N/A	X	
(3) KAPI'OLANI MED CTR FOR WOMEN & CHILDREN 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813 99-0177350	HOSPITAL	HI	501(C)(3)	3	N/A	X	
(4) KAUA'I MEDICAL CLINIC 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813 99-0326099	HOSPITAL	HI	501(C)(3)	3	N/A	X	
(5) PALI MOMI FOUNDATION 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813 33-3840327	FUNDRAISING	HI	501(C)(3)	7	N/A	X	
(6) PALI MOMI MEDICAL CENTER 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813 99-0274038	HOSPITAL	HI	501(C)(3)	3	N/A	X	
(7) PROVIDERS INSURANCE CORPORATION 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813 71-0893000	INSURANCE	HI	501(C)(3)	12B, II	N/A	X	

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

Schedule R (Form 990) 2018

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2018

**Open to Public
Inspection**

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

▶ Attach to Form 990.

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

Department of the Treasury
Internal Revenue Service

Name of the organization

KAPI'OLANI MEDICAL SPECIALISTS

Employer identification number

99-0322406

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) STRAUB CLINIC & HOSPITAL 91-2151670 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	HOSPITAL	HI	501(C)(3)	3	N/A	X	
(2) STRAUB FOUNDATION 99-0109350 55 MERCHANT STREET, 26TH FLOOR HONOLULU, HI 96813	FUNDRAISING	HI	501(C)(3)	7	N/A	X	
(3) WILCOX HEALTH FOUNDATION 99-0204242 3-3420 KUHIO HIGHWAY LIHUE, HI 96766	FUNDRAISING	HI	501(C)(3)	7	N/A	X	
(4) WILCOX MEMORIAL HOSPITAL 99-0074365 3-3420 KUHIO HIGHWAY LIHUE, HI 96766	HOSPITAL	HI	501(C)(3)	3	N/A	X	
(5)							
(6)							
(7)							

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

Schedule R (Form 990) 2018

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) ASC PACIFIC VENTURES, LLC SEE PART VII	AMBU. SURG. CTR.	AL	N/A									
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) HAWAI'I PACIFIC HEALTH PARTNERS, INC 55 MERCHANT ST, 24TH FLOOR HONOLULU, HI 96813	HOLDING COMPANY	HI	N/A	C CORP					
(2) HICORD, INC 55 MERCHANT ST, 24TH FLOOR HONOLULU, HI 96813	INVESTMENT	HI	N/A	C CORP					
(3) STRAUB PHARMACY, INC 55 MERCHANT ST, 24TH FLOOR HONOLULU, HI 96813	INACTIVE	HI	N/A	C CORP					
(4)									
(5)									
(6)									
(7)									

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity.		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses.	X	
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)	X	
s Other transfer of cash or property from related organization(s)	X	

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) KAPI'OLANI MEDICAL CTR FOR WOMEN & CHILDREN	Q	912,001.	FMV
(2) KAPI'OLANI MEDICAL CTR FOR WOMEN & CHILDREN	S	254,176.	FMV
(3) KAPI'OLANI MEDICAL CTR FOR WOMEN & CHILDREN	P	12,326,662.	FMV
(4) KAPI'OLANI MEDICAL CTR FOR WOMEN & CHILDREN	R	368,459.	FMV
(5) PALI MOMI MEDICAL CENTER	Q	57,381.	FMV
(6) STRAUB CLINIC & HOSPITAL	Q	317,104.	FMV

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity.	1a	
b Gift, grant, or capital contribution to related organization(s)	1b	
c Gift, grant, or capital contribution from related organization(s)	1c	
d Loans or loan guarantees to or for related organization(s)	1d	
e Loans or loan guarantees by related organization(s)	1e	
f Dividends from related organization(s)	1f	
g Sale of assets to related organization(s)	1g	
h Purchase of assets from related organization(s)	1h	
i Exchange of assets with related organization(s)	1i	
j Lease of facilities, equipment, or other assets to related organization(s)	1j	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	
o Sharing of paid employees with related organization(s)	1o	
p Reimbursement paid to related organization(s) for expenses.	1p	
q Reimbursement paid by related organization(s) for expenses	1q	
r Other transfer of cash or property to related organization(s)	1r	
s Other transfer of cash or property from related organization(s)	1s	

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) STRAUB CLINIC & HOSPITAL	S	152,562.	FMV
(2) STRAUB CLINIC & HOSPITAL	P	185,131.	FMV
(3) KAPI'OLANI HEALTH FOUNDATION	C	255,000.	FMV
(4) PROVIDERS INSURANCE CORPORATION	R	1,555,196.	FMV
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII **Supplemental Information**

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

SCHEDULE R, PART III

RELATED ORG. TAXABLE AS PARTNERSHIP

ASC PACIFIC VENTURES, LLC

EIN: 27-0540034

ADDRESS: 3000 RIVERCHASE GALLERIA, STE 500 BIRMINGHAM, AL 35244

Report of Employer-Owned Life Insurance Contracts

▶ **Attach to the policyholder's tax return - See instructions.**
 ▶ **Go to www.irs.gov/Form8925 for the latest information.**

Name(s) as shown on return KAPI 'OLANI MEDICAL SPECIALISTS	Identifying number 99-0322406
Name of policyholder, if different from above	Identifying number, if different from above

Type of business
HEALTHCARE

1 Enter the number of employees the policyholder had at the end of the tax year	1	262
2 Enter the number of employees included on line 1 who were insured at the end of the tax year under the policyholder's employer-owned life insurance contract(s) issued after August 17, 2006. See <i>Section 1035 exchanges</i> on page 2 for an exception	2	2
3 Enter the total amount of employer-owned life insurance in force at the end of the tax year for employees who were insured under the contract(s) specified on line 2	3	1053000
4a Does the policyholder have a valid consent for each employee included on line 2? See instructions <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
b If "No," enter the number of employees included on line 2 for whom the policyholder does not have a valid consent	4b	

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8925 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form8925.

General Instructions

Purpose of Form

Use Form 8925 to report the number of employees covered by employer-owned life insurance contracts issued after August 17, 2006, and the total amount of employer-owned life insurance in force on those employees at the end of the tax year. Policyholders must also indicate whether a valid consent has been received from each covered employee, and the number of covered employees for which a valid consent has not been received.

For more information, see sections 101(j) and 6039I, and Notice 2009-48, 2009-24 I.R.B. 1085, available at www.irs.gov/irb/2009-24_IRB/ar11.html.

Definitions

Employer-owned life insurance contract. For purposes of Form 8925, an insurance contract is an employer-owned life insurance contract if it is owned by a policyholder as defined below, and covers the life of the policyholder's employee(s) on the date the life insurance contract is issued. If you have master contracts, see section 101(j)(3) for additional information.

Policyholder. For purposes of Form 8925 and these instructions, a policyholder is an "applicable policyholder" as defined in section 101(j)(3)(B). Generally, a policyholder is the person who owns the employer-owned life insurance contract, and who is (a) engaged in a trade or business that employs the person insured under the employer-owned life insurance contract and (b) the direct or indirect beneficiary of the employer-owned life insurance contract.

Related person. A related person is considered a policyholder if that person is (a) related to the policyholder (defined earlier) under sections 267(b) or 707(b) (1), or (b) engaged in a trade or business under common control with the policyholder. See sections 52(a) and (b).

Employee. Employee includes an officer, director, or highly compensated employee under section 414(q).

Insured. An individual must be a U.S. citizen or resident to be considered insured under an employer-owned life insurance contract. Both individuals covered by a contract covering the joint lives of two individuals are considered insured.

Notice and consent requirements. To qualify as an employer-owned life insurance contract, the policyholder must meet the notice and consent requirements listed below before the issuance of the contract.

1. Provide written notification to the employee stating the policyholder intends to insure the employee's life and the maximum face amount for which the employee could be insured at the time the contract was issued.

The written notification must include a disclosure of the face amount of life insurance, either in dollars or as a multiple of salary, that the policyholder reasonably expects to purchase with regard to the employee during the course of the employee's tenure. Additional notice and consent are required if the aggregate face amount of the employer-owned life insurance contracts with regard to an employee exceeds the amount of which the employee was given notice and to which the employee consented. See Q&A-9 and Q&A-12 in Notice 2009-48.

2. Provide written notification to the employee that the policyholder will be a beneficiary of any proceeds payable upon the death of the employee.

3. Received written consent from the employee. See *Valid consent* under the instructions for line 4a.

Electronic notification and consent.

The written notification and consent requirement can be met electronically only if the system for electronic notification and consent meets requirements 1 through 3, above. See Q&A-11 in Notice 2009-48 for more information.

Issue date of contract. Generally, the issue date of a life insurance contract is the date on the policy assigned by the insurance company on or after the date of application. For purposes of meeting the notice and consent requirements, the issue date of the employer-owned life insurance contract is the later of (1) the date of application of coverage, (2) the effective date of coverage, or (3) the formal issuance of the contract. See Q&A-4 in Notice 2009-48 for more information.

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