

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2007 calendar year, or tax year beginning **10/01/07**, and ending **9/30/08**

- B** Check if applicable:
- Address change
 - Name change
 - Initial return
 - Termination
 - Amended return
 - Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
ST. ANDREWS HOSPITAL

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

City or town, state or country, and ZIP + 4
BOOTHBAY HARBOR ME 04538

D Employer identification number
01-0153960

E Telephone number
207-633-8413

F Accounting method: Cash Accrual Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates

H(c) Are all affiliates included? Yes No
(If "No," attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Website: **WWW.STANDREWSHEALTHCARE.ORG**

J Organization type (check only one) 501(c) (**3**) (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

I Group Exemption Number

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **21,629,288**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Revenue		Expenses		Net Assets	
1	Contributions, gifts, grants, and similar amounts received:				
a	Contributions to donor advised funds	1a			
b	Direct public support (not included on line 1a)	1b	459,054		
c	Indirect public support (not included on line 1a)	1c			
d	Government contributions (grants) (not included on line 1a)	1d	16,534		
e	Total (add lines 1a through 1d) (cash \$ 384,014 noncash \$ 91,574)	1e		475,588	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		19,843,969	
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4		57,241	
5	Dividends and interest from securities	5		126,835	
6a	Gross rents	6a	14,283		
b	Less: rental expenses	6b			
c	Net rental income or (loss). Subtract line 6b from line 6a	6c		14,283	
7	Other investment income (describe _____)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities	679,516	(B) Other	900
b	Less: cost or other basis and sales expenses	8a	586,670	8b	85,740
c	Gain or (loss) (attach schedule)	8c	92,846	8c	-84,840
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8d	See Stmt 1	See Stmt 2	8,006
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a			
b	Less: direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less: cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c			
11	Other revenue (from Part VII, line 103)	11		430,956	
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		20,956,878	
13	Program services (from line 44, column (B))	13		16,648,964	
14	Management and general (from line 44, column (C))	14		4,357,190	
15	Fundraising (from line 44, column (D))	15		84,226	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses. Add lines 16 and 44, column (A)	17		21,090,380	
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		-133,502	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		14,751,251	
20	Other changes in net assets or fund balances (attach explanation)	20	See Statement 3	-679,793	
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		13,937,956	

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b	Other grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A See Statement 4	976,888	879,200	97,688	
25b	Compensation of former officers, directors, key employees, etc. listed in Part V-B				
25c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26	Salaries and wages of employees not included on lines 25a, b, and c	9,063,796	6,915,148	2,129,475	19,173
27	Pension plan contributions not included on lines 25a, b, and c	212,850	164,426	47,849	575
28	Employee benefits not included on lines 25a - 27	1,000,844	742,925	255,426	2,493
29	Payroll taxes	692,335	535,231	155,637	1,467
30	Professional fundraising fees				
31	Accounting fees	55,125		55,125	
32	Legal fees	7,878		7,878	
33	Supplies	1,223,896	1,156,204	56,804	10,888
34	Telephone	108,148	83,209	24,939	
35	Postage and shipping	28,015	10,818	17,145	52
36	Occupancy	618,636	479,567	139,069	
37	Equipment rental and maintenance	468,753	393,243	75,510	
38	Printing and publications	26,611	12,008		14,603
39	Travel	148,764	107,481	37,879	3,404
40	Conferences, conventions, and meetings				
41	Interest	535,609	415,204	120,405	
42	Depreciation, depletion, etc. (attach schedule)	1,192,291	924,264	268,027	
43	Other expenses not covered above (itemize):				
a	See Statement 5	4,729,941	3,830,036	868,334	31,571
b					
c					
d					
e					
f					
g					
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	21,090,380	16,648,964	4,357,190	84,226

Joint Costs. Check if you are following SOP 98-2.
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____ ; (ii) the amount allocated to Program services \$ _____ ;
 (iii) the amount allocated to Management and general \$ _____ ; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose?

▶ **Health Care Services Provider**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a See Statement 6

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

16,648,964

b

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

c

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

d

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

e Other program services (attach schedule)

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

f Total of Program Service Expenses(should equal line 44, column (B), Program services) ▶ **16,648,964**

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
Assets	45 Cash—non-interest-bearing	293,313	45	314,598	
	46 Savings and temporary cash investments	2,055,991	46	2,660,786	
	47a Accounts receivable	47a 5,229,944			
	b Less: allowance for doubtful accounts	47b 2,674,062	2,499,495	47c 2,555,882	
	48a Pledges receivable	48a 388,001			
	b Less: allowance for doubtful accounts	48b 141,831	322,409	48c 246,170	
	49 Grants receivable		49	67,663	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a		
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att. schedule)		50b		
	51a Other notes and loans receivable (attach schedule)	51a			
	b Less: allowance for doubtful accounts	51b		51c	
	52 Inventories for sale or use		308,613	52	226,597
	53 Prepaid expenses and deferred charges		121,201	53	112,246
	54a Investments—publicly-traded securities See Statement 7	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	3,475,274	54a	2,914,456
	b Investments—other securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
55a Investments—land, buildings, and equipment: basis	55a				
b Less: accumulated depreciation (attach schedule)	55b		55c		
56 Investments—other (attach schedule)	See Stmt 8	829,601	56	869,815	
57a Land, buildings, and equipment: basis	57a 33,590,405				
b Less: accumulated depreciation (attach schedule) See Statement 9	57b 12,676,196	17,942,957	57c	20,914,209	
58 Other assets, including program-related investments (describe See Statement 10)		579,394	58	887,726	
59 Total assets (must equal line 74). Add lines 45 through 58		28,428,248	59	31,770,148	
Liabilities	60 Accounts payable and accrued expenses	2,400,894	60	2,040,150	
	61 Grants payable		61		
	62 Deferred revenue See Statement 11		62	69,642	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64a Tax-exempt bond liabilities (attach schedule) See Worksheet		8,694,491	64a	8,448,403
	b Mortgages and other notes payable (attach schedule) See Worksheet		52,935	64b	4,119,180
65 Other liabilities (describe See Statement 12)		2,528,677	65	3,154,817	
66 Total liabilities. Add lines 60 through 65		13,676,997	66	17,832,192	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted		13,253,393	67	12,761,864
	68 Temporarily restricted		751,879	68	521,474
	69 Permanently restricted		745,979	69	654,618
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds			70	
	71 Paid-in or capital surplus, or land, building, and equipment fund			71	
	72 Retained earnings, endowment, accumulated income, or other funds			72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		14,751,251	73	13,937,956	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		28,428,248	74	31,770,148	

Part VI Other Information (continued)		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		N/A
	83b		
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
	84b		
85a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		N/A
c	Dues, assessments, and similar amounts from members		85c
d	Section 162(e) lobbying and political expenditures		85d
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		85e
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		85f
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		N/A
	85g		
	85h		
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		86a
b	Gross receipts, included on line 12, for public use of club facilities		86b
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		87a
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		87b
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	X	
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	X	
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0 ; section 4912 0 ; section 4955 0		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
	89b		
	89c		
	89d		
	89e		
	89f		
	89g		
90a	List the states with which a copy of this return is filed ME		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)		312
91a	The books are in care of Chief Financial Officer Telephone no. 207-633-8413 6 St. Andrews Lane Located at Boothbay Harbor, ME ZIP + 4 04538		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
	91b		

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? Yes No
 If "Yes," enter the name of the foreign country

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year **92**

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Net Patient Revenue					19,843,969
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	57,241	
96 Dividends and interest from securities			14	126,835	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property	531110	14,283			
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	8,006	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b See Statement 16		148,358			282,598
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		162,641		192,082	20,126,567
105 Total (add line 104, columns (B), (D), and (E))					20,481,290

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93a	St. Andrews Hospital is a critical access hospital
103b	providing acute, primary care, home health, long-term care, physician skills and residential services to the residents of the Boothbay Peninsula.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
See Statement 17	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	Yes	No
	X	

(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a Lincoln County Shared Services, Inc 6 Andrews Lane Boothbay Harbor ME 04538	01-0543908	Contracted Service Fees	248,093
b			
c			
Totals			248,093

107 Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	Yes	No
	X	

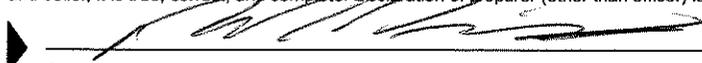
(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a Lincoln County Shared Services, Inc 6 St. Andrews Lane Boothbay Harbor ME 04538	01-0543908	Rent	21,009
b			
c			
Totals			21,009

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

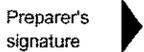
	Yes	No
	X	

Please Sign Here

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.

Signature of officer: 
 Date: **07/31/08**
WAYNE PRINTY CFO
 Type or print name and title

Paid Preparer's Use Only

Preparer's signature:  Date: _____
 Check if self-employed:
 Preparer's SSN or PTIN (See Gen. Instr. X): _____
 Firm's name (or yours if self-employed), address, and ZIP + 4: **MaineHealth**
901 Washington Ave Suite 104
Portland, ME 04103
 EIN: _____
 Phone no.: **207-771-4722**

SCHEDULE A
(Form 990 or 990-EZ)**Organization Exempt Under Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

2007**Supplementary Information-(See separate instructions.)**▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**Department of the Treasury
Internal Revenue Service

Name of the organization

ST. ANDREWS HOSPITALEmployer identification number
01-0153960**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to empl. benefit plans & deferred comp.	(e) Expense account and other allowances
Paul Viarello 6 St. Andrews Lane Boothbay Harbor ME 04538	Anesthesia M 40	167,378	10,691	0
Andre' Benoit 6 St. Andrews Lane Boothbay Harbor ME 04538	Anesthesia Manager 40	163,844	13,773	0
David Millay 6 St. Andrews Lane Boothbay Harbor ME 04538	Physician 40	155,437	17,661	0
Andrew Lackoff 6 St. Andrews Lane Boothbay Harbor ME 04538	Physician 40	149,440	17,991	0
Aquilino Alomo 6 St. Andrews Lane Boothbay Harbor ME 04538	Physician 40	145,243	6,706	0
Total number of other employees paid over \$50,000	▶ 43			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Shared Imaging, Inc. PO Box 88544 Milwaukee WI 53288	Diagnostic Imaging	154,000
Apex Medical Staffing Agency PO Box 268 Orr's Island ME 04066	Medical Staffing	134,565
Soliant Health PO Box 1024640 Atlanta GA 30368	Medical Staffing	121,875
Baker, Newman & Noyes 280 Fore Street Portland ME 04101	Audit Firm	111,083
Arcadia PO Box 673174 Detroit MI 48267	Medical Staffing	63,119
Total number of others receiving over \$50,000 for professional services	▶ 2	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
HP Cummings PO Box 297 Winthrop ME 04364	Construction	3,372,521
Maine Medical Partners 39 Wallace Avenue South Portland ME 04106	Billing	99,249
Lavallee/Brensinger 155 Dow Street Manchester NH 03101	General Contractor	81,258
Kforce, Inc. PO Box 277997 Atlanta GA 30384	Transcription	80,202
Crooker and Sons, Inc. 103 Lewiston Road Topsham ME 04086	General Contractor	74,102
Total number of other contractors receiving over \$50,000 for other services	▶ 1	

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

Schedule A (Form 990 or 990-EZ) 2007

Part III Statements About Activities (See page 2 of the instructions.)

Yes No

<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>4,766</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p>	1	<input checked="" type="checkbox"/>	
<p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.</p>			
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)</p>			
<p>a Sale, exchange, or leasing of property</p>	2a		<input checked="" type="checkbox"/>
<p>b Lending of money or other extension of credit</p>	2b		<input checked="" type="checkbox"/>
<p>c Furnishing of goods, services, or facilities</p>	2c		<input checked="" type="checkbox"/>
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <u>See Part V-A, Form 990</u></p>	2d	<input checked="" type="checkbox"/>	
<p>e Transfer of any part of its income or assets?</p>	2e		<input checked="" type="checkbox"/>
<p>3a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)</p>	3a		<input checked="" type="checkbox"/>
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b	<input checked="" type="checkbox"/>	
<p>c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement</p>	3c		<input checked="" type="checkbox"/>
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d		<input checked="" type="checkbox"/>
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g</p>	4a		<input checked="" type="checkbox"/>
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b		
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c		
<p>d Enter the total number of donor advised funds owned at the end of the tax year ▶ _____</p>			
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____</p>			
<p>f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ _____</p>			0
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____</p>			0

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 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 charitable, etc., 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). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____					26d
e Public support (line 26c minus line 26d total)					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					N/A
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					N/A
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c
d Add: Line 27a total _____ and line 27b total _____					27d
e Public support (line 27c total minus line 27d total)					27e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	N/A	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
32 Does the organization maintain the following:			
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33 Does the organization discriminate by race in any way with respect to:			
a Students' rights or privileges?	33a		
b Admissions policies?	33b		
c Employment of faculty or administrative staff?	33c		
d Scholarships or other financial assistance?	33d		
e Educational policies?	33e		
f Use of facilities?	33f		
g Athletic programs?	33g		
h Other extracurricular activities?	33h		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b Has the organization's right to such aid ever been revoked or suspended?	34b		
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768) **N/A**

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

	(a) Affiliated group totals	(b) To be completed for all electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount. Enter the amount from the following table-		
If the amount on line 40 is-	The lobbying nontaxable amount is-	
Not over \$500,000	20% of the amount on line 40	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000	\$1,000,000	
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

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

See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means	X		4,766
i Total lobbying expenditures (Add lines c through h.)			4,766

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

See Statement 18

Mortgages and Other Notes Payable

Forms
990 / 990-PF**2007**For calendar year 2007, or tax year beginning **10/01/07**, and ending **9/30/08**

Name

Employer Identification Number

ST. ANDREWS HOSPITAL**01-0153960****Form 990, Part IV, Line 64b - Additional Information**

Name of lender	Relationship to disqualified person
(1) Bank of America	None
(2) Bank of America	None
(3) Bank of America	None
(4) Gorham Savings Bank	None
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 320,000	6/08/01	6/08/08	Monthly P&I Pmts - 7 years	5.877
(2) 160,000	4/03/03	4/03/08	Monthly P&I Pmts - 5 years	6.313
(3) 4,000,000	10/04/07	12/31/27	Monthly	3.250
(4) 135,452	2/25/08	1/15/13	Monthly	6.500
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) Lien & Security interest	LCAS Conventional
(2) Lien & Security interest	LCAS equipment
(3) None	Family Care Center
(4) None	Leasing Transco Xerox Copiers
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)	34,286	
(2)	18,649	
(3)		4,000,000
(4)		119,180
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	52,935	4,119,180

Tax-Exempt Bond Liabilities

Form **990**

2007

For calendar year 2007, or tax year beginning **10/01/07**, and ending **9/30/08**

Name **ST. ANDREWS HOSPITAL** Employer Identification Number **01-0153960**

Form 990, Part IV, Line 64a - Additional Information

Name of lender	Purpose of issue
(1) MHHEFA Revenue Bonds Series 1998C	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Issue date	Original amount of issue	Form 8038 filed: Y/N Date filed	Date retired	Completion date of project	Unexpended bond proceeds
(1) 11/01/98	10,313,080	N	11/01/29		
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Third party use percent	Maturity date	Repayment terms	Interest rate
(1)	11/01/29	Serial Bonds - annually	4.450
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

Security provided by borrower	Amount outstanding at beginning of year	Amount outstanding at end of year
(1) Master Trust Indenture	8,694,491	8,448,403
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	8,694,491	8,448,403

Federal Statements

Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Securities

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Depr	Gain/ -Loss
Publicly Traded Securities								
					\$ 679,516	\$ 586,670	\$	\$ 92,846
Total					\$ 679,516	\$ 586,670	0	\$ 92,846

Statement 2 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Depr	Gain/ -Loss
Sale of Fixed Asset								
Purchase			10/01/07	9/30/08	900	339,125	253,385	-84,840
Total					\$ 900	\$ 339,125	\$ 253,385	\$ -84,840

Federal Statements**Statement 3 - Form 990, Line 20 - Other Changes in Net Assets or Fund Balances**

<u>Description</u>	<u>Amount</u>
Net Unrealized Gains on Investments	\$ -537,390
Equity Transfers to Affiliate	-21,042
Change in Perpetual Trusts	<u>-121,361</u>
Total	<u>\$ -679,793</u>

Federal Statements

Statement 4 - Form 990, Part II, Line 25a - Compensation of Current Officers

<u>Name</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>
	\$	\$	\$
Expenses			
Alan Barker, M.D.			
Compensation	30,442	3,383	
Benefit Plan Contribution	1,388	154	
John J. Kazalski			
Compensation	23,610	2,623	
Benefit Plan Contribution	308	34	
Lisa Burger			
Compensation	53,985	5,998	
Benefit Plan Contribution	5,211	579	
Margaret Pinkham			
Compensation	146,250	16,250	
Benefit Plan Contribution	160,513	17,835	
Mark Lowell			
Compensation	63,229	7,026	
Benefit Plan Contribution	11,330	1,259	
Mary Dimascio			
Compensation	82,578	9,175	
Benefit Plan Contribution	13,610	1,512	
Melissa Turner			
Compensation	68,389	7,599	
Benefit Plan Contribution	8,937		
Stephen Cook, M.D.			
Compensation	191,226	21,247	
Benefit Plan Contribution	18,194	2,021	
Total	\$ 879,200	\$ 97,688	\$ 0

Federal Statements**Statement 5 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
Expenses	\$	\$	\$	\$
Advertising & Marketing	98,574	98,574		
Bad Debts	277,213	277,213		
Dues & Subscriptions	208,107	22,776	185,181	150
Insurance	241,075	186,881	54,194	
Lease Expense	102,551	79,498	23,053	
Miscellaneous	270,200	196,980	63,272	9,948
Food	340,748	326,266	14,482	
Purchased Services	2,772,797	2,228,800	522,524	21,473
Recruiting Expense	25,034	19,406	5,628	
Provider Tax	393,642	393,642		
Total	<u>\$ 4,729,941</u>	<u>\$ 3,830,036</u>	<u>\$ 868,334</u>	<u>\$ 31,571</u>

Federal Statements**Statement 6 - Form 990, Part III, Line a - Statement of Program Service Accomplishments**Description

St. Andrews Hospital and its family of healthcare services is a nonprofit organization that provides quality, cost effective, compassionate, and accessible medical care to the people of the Boothbay Region. Each service is selected and continually adjusted to meet the immediate and primary healthcare requirements of the community, and assures access to appropriate tertiary, supportive and preventive medical care. The hospital is licensed for 25 acute care and skilled nursing beds. The following statistics point to the fact that its exempt purpose is well carried out.

Statistics for the Year Ended September 30, 2008:

Patient Days:

Adult & Children: 981

Nursing Facility: 10,573

Discharges: 400

Department	Amount	Statistics
Operating Room	715	Procedures
Laboratory	95,071	Tests
Cardiopulmonary	3,898	Procedures
Cardiopulmonary	100	Visits
Oncology	553	Visits
Oncology	211	Procedures
Radiology	5,646	Procedures
Rehabilitation Services	8,304	Visits
Outpatient Departments:		
Emergency Room	5,472	Visits
Home Health	5,411	Visits
Family Care Center	14,261	Charges
Mental Health Services	864	Charges
Occupational Health	1,804	Visits
Occupational Health	2,511	Procedures

Please see attached Community Benefits Statement

Federal Statements**Statement 7 - Form 990, Part IV, Line 54a - Publicly Traded Securities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>
Corporate Stock	\$ 2,368,772	\$ 1,898,709	Market
Corporate Bonds	1,106,502	1,015,747	Market
Total	<u>\$ 3,475,274</u>	<u>\$ 2,914,456</u>	

Statement 8 - Form 990, Part IV, Line 56 - Other Investments

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>
Investment in LCCS- 501(c) (3) Beneficial Trust - Perpetual Trust	\$ 90,000	\$ 277,501	
	739,601	592,314	
Total	<u>\$ 829,601</u>	<u>\$ 869,815</u>	

Statement 9 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

<u>Description</u>	<u>Beginning of Year</u>	<u>Accum Depr</u>	<u>End of Year</u>	<u>Accum Depr</u>
Buildings	\$16,103,876	\$ 4,712,787	\$21,017,259	\$ 4,748,281
Equipment	8,743,533	6,033,469	9,771,229	6,722,700
Construction in Progress	2,280,867		44,748	
Land Improvements	1,991,654	1,076,772	2,111,114	1,205,215
Land	646,055		646,055	
Total	<u>\$29,765,985</u>	<u>\$11,823,028</u>	<u>\$33,590,405</u>	<u>\$12,676,196</u>

Statement 10 - Form 990, Part IV, Line 58 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Due from Affiliate	\$ 199,833	\$ 301,395
Patient and other deposits	261,796	287,867
Deferred Financing Costs	85,585	78,726
Interest Receivable	9,331	
Other Assets	22,849	50,738
AR under Reimbursement Regulations		169,000
Total	<u>\$ 579,394</u>	<u>\$ 887,726</u>

Federal Statements**Statement 11 - Form 990, Part IV, Line 62 - Deferred Revenue**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Deferred Revenue	\$ _____	\$ 69,642
Total	\$ 0	\$ 69,642

Statement 12 - Form 990, Part IV, Line 65 - Other Liabilities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Malpractice Insurance Reserve	\$ 274,400	\$ 197,932
Due to Affiliate	902,895	949,364
Asset Retirement Obligations	43,000	42,500
Other Liabilities	81,153	81,154
Deposits Payable	261,796	287,867
Amounts Payable Under Reimb. Regs.	965,433	1,596,000
Total	\$ 2,528,677	\$ 3,154,817

Federal Statements

Statement 13 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
Alan Barker, M.D. 6 St. Andrews Lane Boothbay Harbor ME 04538	Med Staff	50	33,825	1,542	0
Barbara Mitchell 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0
Bob Conn 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	2	0	0	0
Brooks Betts 6 St. Andrews Lane Boothbay Harbor ME 04538	VP IS LCHC	10	0	0	0
Catherine Gregg 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0
Chris Bastian 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	2	0	0	0
Daniel Friedland, M.D. 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0
Daniel Pykett 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0
David Trahan 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0

Federal Statements

Statement 13 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
Elliott Barker 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	2	0	0	0
George Ross 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	2	0	0	0
James Donovan 6 St. Andrews Lane Boothbay Harbor ME 04538	Pres LCHC	10	0	0	0
Jane Smith 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	2	0	0	0
Jane Hurd 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	2	0	0	0
Jeff Curtis 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0
James Hunt 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	2	0	0	0
John Bowers 6 St. Andrews Lane Boothbay Harbor ME 04538	VP of Oper	2	0	0	0
John Kazalski, M.D. 6 St. Andrews Lane Boothbay Harbor ME 04538	Med Staff	50	26,233	343	0

Federal Statements

Statement 13 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
John Peacock 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0
Judy McGuire 6 St. Andrews Lane Boothbay Harbor ME 04538	VP Elder Ser	2	0	0	0
Lewis Brown 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0
Linda Redman 6 St. Andrews Lane Boothbay Harbor ME 04538	Aux. Pres	2	0	0	0
Lisa Burger 6 St. Andrews Lane Boothbay Harbor ME 04538	VP HR	50	59,983	5,790	0
Lisa McIlwain 6 St. Andrews Lane Boothbay Harbor ME 04538	VP HR LCHC	2	0	0	0
Margaret Pinkham 6 St. Andrews Lane Boothbay Harbor ME 04538	Pres SAH	50	162,500	178,347	0
Mark Fourre, M.D. 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0
Mark Harrison 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	2	0	0	0

Federal Statements

Statement 13 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
Mark Lowell 6 St. Andrews Lane Boothbay Harbor ME 04538	VP LT Care	50	70,255	12,589	0
Mary Dimascio 6 St. Andrews Lane Boothbay Harbor ME 04538	VP Clin Serv	50	91,753	15,122	0
Melissa Turner 6 St. Andrews Lane Boothbay Harbor ME 04538	VP Qual Mang	50	75,988	9,930	0
Norman Hochgraf 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0
Patrick Lydon 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0
Penny Matthews 6 St. Andrews Lane Boothbay Harbor ME 04538	Treasurer	2	0	0	0
Perry Bradley 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	2	0	0	0
Peter Gardner 6 St. Andrews Lane Boothbay Harbor ME 04538	Secretary	2	0	0	0
Peter Mundy 6 St. Andrews Lane Boothbay Harbor ME 04538	Chair	2	0	0	0

Federal Statements

Statement 13 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
Phil Lathrop 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0
Rev. Dr. Mary Jo Zimmerli 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0
Robert Norton 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	2	0	0	0
Ruth-Ann Bryant 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	1	0	0	0
Sally Barter 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	2	0	0	0
Scott Shott 6 St. Andrews Lane Boothbay Harbor ME 04538	VP Develop	2	0	0	0
Stephen Cook, M.D. 6 St. Andrews Lane Boothbay Harbor ME 04538	Med Staff	50	212,473	20,215	0
Wayne Printy 6 St. Andrews Lane Boothbay Harbor ME 04538	CFO LCHC	10	0	0	0
William Butler 6 St. Andrews Lane Boothbay Harbor ME 04538	Trustee	2	0	0	0

Federal Statements

Statement 14 - Form 990, Part V-A, Line 75c - Compensation from Related Organizations

Payee Name	Organization EIN	Related Organization Name1	Relationship	Compensation	Benefits	Expenses	Related Organization Name2	Compensation Description
Brooks Betts	26-1475629	Lincoln County Health Care, Inc.	See Statement 19	104,073	16,122			Comp & Benefits
Daniel Friedland, M.D.	01-0530751	Miles Medical Group, LLC	See Statement 19	134,646	16,718			Comp & Benefits
James Donovan	26-1475629	Lincoln County Health Care, Inc.	See Statement 19	252,300	40,328			Comp & Benefits
John Bowers	01-0382339	Miles Health Care, Inc.	See Statement 19	137,956	10,789			Comp & Benefits
Judy McGuire	01-0382340	Coves Edge, Inc.	See Statement 19	210,110	21,707			Comp & Benefits
Lisa McIlwain	01-0382339	Miles Health Care, Inc.	See Statement 19	163,983	17,848			Comp & Benefits
Mark Fourre, M.D.	01-0530751	Miles Medical Group, LLC	See Statement 19	258,664	22,486			Comp & Benefits
Scott Shott	01-0382339	Miles Health Care, Inc.	See Statement 19	124,479	16,200			Comp & Benefits
Wayne Printy	26-1475629	Lincoln County Health Care, Inc.	See Statement 19	122,216	10,199			Comp & Benefits

Federal Statements**Statement 15 - Form 990, Part VI, Line 80b - Name of Related Organization(s)**

<u>Name of related organization(s)</u>	<u>Type</u>
MaineHealth	Exempt
St. Andrews Management Company	Non-exempt
Spring Harbor Hospital	Exempt
Spring Harbor Counseling	Exempt
Maine Medical Center	Exempt
Miles Health Care, Inc.	Exempt
Geriatric Resource Network	Exempt
HomeHealth-Visiting Nurses of So. ME	Exempt
NorDx	Exempt
Synernet, Inc.	Non-exempt
Western Maine Health Care Corp	Exempt
Maine Physician Hospital Org	Non-exempt
Lincoln County Health Care	Exempt

Federal Statements**Statement 16 - Form 990, Part VII, Line 103 - Other Revenue**

<u>Description</u>	<u>Business Code</u>	<u>Unrelated Amount</u>	<u>Exclusion Code</u>	<u>Exclusion Amount</u>	<u>Related Income</u>
Miscellaneous Income		\$		\$	\$ 282,598
Cottage Services	531310	106,845			
Management Fees	531310	29,958			
Laundry Revenue	812300	826			
Other Revenue	531310	10,729			
Total		<u>\$ 148,358</u>		<u>\$ 0</u>	<u>\$ 282,598</u>

Federal Statements

Statement 17 - Form 990, Part IX - Information Regarding Taxable Subsidiaries

Bus Name	EIN	Ownership %	Nature of Activity	Addr	Income	EOY Assets
St. Andrews Management Company	01-0509259	100.0000	Management Company	Boothbay Harbor, ME 04538	\$ 0	\$ 16,147
Total					\$ 0	\$ 16,147

Federal Statements**Statement 18 - Schedule A, Part VI-B - Description of Lobbying Activities**Description

Portion of membership dues attributable to lobbying activities:
Lobbying portion of Maine Hospital Association Dues: \$3,134
Lobbying portion of American Hospital Association Dues: \$1,542
Lobbying portion of Home Care & Hospice Alliance Dues: \$90

St. Andrews Hospital
 EIN # 01-0153960
 9/30/08

Statement 19 - Form 990, Part V-A, Line 75c - Compensation from Related Organizations

St. Andrews Hospital was the wholly owned subsidiary of MaineHealth (EIN 01-0431680) from October 1, 2007 through December 31, 2007. St. Andrews Hospital became the wholly owned subsidiary of Lincoln County Health Care Inc. (EIN 26-1475629) on January 1, 2008. Lincoln County Health Care Inc. is a wholly owned subsidiary of MaineHealth. Miles Health Care, Inc. (EIN 01-0382339) and Maine Medical Center (EIN 01-0238552) are also wholly owned subsidiaries of MaineHealth.

Payee Name	Compensation Explanation	Relationship to St. Andrews Hospital
Brooks Betts	All of this individual's compensation and benefits are paid by Lincoln County Health Care, Inc. (LCHC) (EIN 26-1475629), the parent company of St. Andrews Hospital. Brooks Betts received a total salary of \$104,073 and benefits of \$16,122. LCHC is reimbursed for a portion of the compensation for this individual from the following related exempt organizations:	Filing Organization Common Parent Company - LCHC Common Parent Company - LCHC
Daniel Friedland, M.D.	All of this individual's compensation and benefits are paid by Miles Medical Group, LLC (MMG) (EIN 01-0530751), member of Miles Health Care, Inc. Daniel Friedland received a total salary of \$134,646 and benefits of \$16,718. MMG is reimbursed for a portion of the compensation for this individual from the following related exempt organizations:	Common Parent Company - LCHC
James Donovan	This individual's compensation and benefits were paid by Maine Medical Center (MMC) (EIN 01-0238552) until 6/15/08. From 6/16/08-9/30/08, this individual's compensation and benefits were paid by Lincoln County Health Care, Inc (LCHC) (EIN 26-1475629). James Donovan received salary of \$184,219 and benefits of \$35,053 from MMC and salary of \$68,081 and benefits of \$5,275 from LCHC. LCHC is reimbursed for a portion of the compensation for this individual from the following related exempt organizations:	Filing Organization Common Parent Company - LCHC Common Parent Company - LCHC
John Bowers	All of this individual's compensation and benefits are paid by Miles Health Care, Inc. (MHC) (EIN 01-0382339), the subsidiary of Lincoln County Health Care, Inc. John Bowers received a total salary of \$137,956 and benefits of \$10,789. MHC is reimbursed for a portion of the compensation for this individual from the following related exempt organizations:	Common Parent Company - LCHC Common Parent Company - LCHC
Judy McGuire	All of this individual's compensation and benefits are paid by Cove's Edge, Inc. (CEI) (EIN 01-0382340), the subsidiary of Miles Health Care, Inc. Judy McGuire received a total salary of \$210,110 and benefits of \$21,707. MHC is reimbursed for a portion of the compensation for this individual from the following related exempt organizations:	Common Parent Company - LCHC

St. Andrews Hospital
 EIN # 01-0153960
 9/30/08

Statement 19 - Form 990, Part V-A, Line 75c - Compensation from Related Organizations

Payee Name	Compensation Explanation	Relationship to St. Andrews Hospital
Lisa McIlwain	<p>All of this individual's compensation and benefits are paid by Miles Health Care, Inc. (MHC) (EIN 01-0382339), the subsidiary of Lincoln County Health Care, Inc. Lisa McIlwain received a total salary of \$163,983 and benefits of \$17,848. MHC is reimbursed for a portion of the compensation for this individual from the following related exempt organizations:</p> <p>Miles Memorial Hospital (EIN 01-0211796) Covese Edge, Inc. (EIN 01-0382340)</p>	<p>Common Parent Company - LCHC Common Parent Company - LCHC</p>
Mark Fourre, M.D.	<p>All of this individual's compensation and benefits are paid by Miles Medical Group, LLC (MMG) (EIN 01-0530751), member of Miles Health Care, Inc. Mark Fourre received a total salary of \$258,664 and benefits of \$22,486. MMG is reimbursed for a portion of the compensation for this individual from the following related exempt organizations:</p> <p>Miles Memorial Hospital (EIN 01-0211796)</p>	<p>Common Parent Company - LCHC</p>
Scott Shott	<p>All of this individual's compensation and benefits are paid by Miles Health Care, Inc. (MHC) (EIN 01-0382339), the subsidiary of Lincoln County Health Care, Inc. Scott Shott received a total salary of \$124,479 and benefits of \$16,200. MHC is reimbursed for a portion of the compensation for this individual from the following related exempt organizations:</p> <p>Miles Memorial Hospital (EIN 01-0211796) Covese Edge, Inc. (EIN 01-0382340)</p>	<p>Common Parent Company - LCHC Common Parent Company - LCHC</p>
Wayne Printy	<p>All of this individual's compensation and benefits are paid by Lincoln County Health Care, Inc. (LCHC) (EIN 26-1475629), the parent company of St. Andrews Hospital. Wayne Printy received a total salary of \$122,216 and benefits of \$10,199. LCHC is reimbursed for a portion of the compensation for this individual from the following related exempt organizations:</p> <p>St. Andrews Hospital (EIN 01-0153960) Miles Memorial Hospital (EIN 01-0211796) Covese Edge, Inc. (EIN 01-0382340)</p>	<p>Filing Organization Common Parent Company - LCHC Common Parent Company - LCHC</p>

St. Andrews Hospital
Form 990 – Additional Worksheet
9/30/08

EIN #01-0153960

Form 990, Part II, Page 2, Line 42 – Depreciation

Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method, half-year convention.

St. Andrews Hospital
EIN 01-0153960
Form 990, Line 77

Minimum Filing Fee \$10.00. An additional \$10 filing fee if changing the purpose

DOMESTIC
NONPROFIT CORPORATION

STATE OF MAINE

ARTICLES OF AMENDMENT

File No 19550014ND Pages 4
Fee Paid \$ 10
DCN 2080091600002 AMEN
FILED
12/26/2007

Julie L Flynn

Deputy Secretary of State

A True Copy When Attested By Signature

Julie L Flynn

Deputy Secretary of State

St Andrews Hospital

(Name of Corporation)

Pursuant to 17-B M.R.S.A. §§802 and 803, the undersigned corporation executes and delivers the following Articles of Amendment

FIRST: ("X" one box only) public benefit corporation mutual benefit corporation

SECOND: Describe NATURE OF CHANGE (i.e. change in name of corporation, purpose, number of directors, adding or deleting section or revision of section, etc.) as well as TEXT of amendment. Attach additional pages as needed

1. Amend Article Fourth changing sole corporate member from MaineHealth to Lincoln County Health Care, Inc. See attached text.

2. Amend Article Fifth changing the number of elected and ex-officio trustees to 20 and 2 respectively. See attached text.

3. Amend Member Powers to restate Board of Trustee actions requiring approval of the Sole Corporate Member. See attached text.

St. Andrews Hospital
EIN 01-0153960
Form 990, Line 77

THIRD: ("X" one box only) The amendment was adopted on (date) November 29, 2007 as follows

- By the members at a meeting at which a quorum was present and the amendment received at least a majority of the votes which members were entitled to cast
- (If the Articles require more than a majority vote) By the members at a meeting at which the amendment received at least the percentage of votes required by the Articles of Incorporation
- By the written consent of all members entitled to vote with respect thereto
- (If no members, or none entitled to vote thereon) By majority vote of the board of directors

FOURTH: The address of the registered office of the corporation in the State of Maine is 465 Congress Street, Suite 600
Portland, Maine 04101
(street, city, state and zip code)

DATED December 21, 2007

*By _____
(signature)

<p>MUST BE COMPLETED FOR VOTE OF MEMBERS</p> <p>I certify that I have custody of the minutes showing the above action by the members</p> <p><u>Peter N Gardner</u> <small>(signature of clerk, secretary or asst-secretary)</small></p>
--

(type or print name and capacity)

*By Peter N Gardner
(signature)

Peter N Gardner, Secretary
(type or print name and capacity)

*This document MUST be signed by any duly authorized officer. (13-B MRSA §104 1 B)

Please remit your payment made payable to the Maine Secretary of State

SUBMIT COMPLETED FORMS TO: CORPORATE EXAMINING SECTION, SECRETARY OF STATE,
101 STATE HOUSE STATION, AUGUSTA, ME 04333-0101
TEL. (207) 624-7752

FORM NO MNPCA-9 (2 of 2) Rev 9/16/2005

St. Andrews Hospital

EIN 01-0153960

Form 990, Line 77

ARTICLES OF AMENDMENT
ATTACHMENT

ST ANDREWS HOSPITAL

- 1 To amend Article Fourth of Exhibit A of the Restated Articles of Incorporation of St Andrews Hospital to read as follows:

FOURTH: The Board of Trustees shall consist of twenty (20) elected Trustees and two (2) ex-officio trustees

- 2 To amend Article Fifth of Exhibit A of the Restated Articles of Incorporation of St. Andrews Hospital to read as follows:

FIFTH: Lincoln County Health Care, Inc. shall be the sole member of the Corporation with all rights and privileges of membership. The sole member shall have sole and deciding vote of the membership.

- 3 To amend and replace Addendum 2 of Exhibit A of the Restated Articles of Incorporation of St. Andrews Hospital and to amend Article III of the St. Andrews Hospital corporate bylaws to read as follows::

Corporate Member

The sole Member of the corporation shall be Lincoln County Health Care, Inc., acting through its Board of Trustees. The Member shall have the power to elect members of the Board of Trustees, to amend these articles; and to exercise such other powers as may be conferred on the Member by law, these Articles, or the bylaws of the corporation. The exercise of the following powers by the Board of Trustees of the Corporation shall be subject to the approval of the sole Member.

- (a) adoption of the annual capital and operating budgets, including modifications thereof;
- (b) approval of any business, marketing and strategic plans, including modifications thereof;
- (c) authorization for debt incurred, assumed, or guaranteed by the Corporation other than as provided for in annual capital and operating budgets;
- (d) authorization for any acquisition, disposition, organization or investment by the Corporation in any other corporation, partnership, limited liability company or joint venture;

St. Andrews Hospital
EIN 01-0153960
Form 990, Line 77

- (e) authorization for any sale, lease, assignment, transfer, mortgage or encumbrance of any properties or assets of the Corporation having an aggregate value in excess of \$100,000;
- (f) authorization for any merger or consolidation involving the Corporation as a constituent entity or any sale or other disposition of substantially all of the assets of the Corporation;
- (g) authorization for the institution of any bankruptcy, insolvency or reorganization proceedings by the Corporation;
- (h) the selection, annual election, and termination of the CEO;
- (i) authorization for the capital investment in any individual, entity or project in the form of cash or either tangible or intangible property in excess of \$100,000,
- (j) authorization for the commencement of litigation other than routine collection actions; and
- (k) adoption of the Corporation's bylaws and any amendments and modifications to the Corporation's Bylaws or Articles of Incorporation.

Lincoln County Health Care, Inc. – FY08 Community Benefits

I. Why create a Community Benefits report?

Lincoln County Health Care, Inc.'s (LCH) day-to-day operations as a tax-exempt organization include many system-wide initiatives to provide inpatient, outpatient, chronic and acute health care services to the people of Lincoln County, Maine. With these programs, LCH hopes to fill existing local gaps, while making a positive impact in the communities we serve. This report will summarize Lincoln County Health Care Inc.'s community benefits efforts over the last year. The final section (VII) will also provide a financial summary of charity care, bad debt, government-sponsored healthcare, and all subsidized community programs and other support.

II. Organizational Description and Information

Lincoln County Health Care, Inc., dba Lincoln County Healthcare, is the parent company for Miles Health Care, Inc. and its subsidiaries Miles Memorial Hospital, Inc., Cove's Edge, Inc., and Miles Medical Group, LLC; and St. Andrews Hospital, Inc.:

In the Damariscotta Region: Miles Health Care includes: Miles Memorial Hospital, a 38-bed community hospital; Miles Home Health and Hospice; Miles Medical Group, an employer of physicians and mid-level staff providing those professions to the physician practices of Miles Memorial Hospital; Cove's Edge, a skilled rehabilitation and long-term care facility; Chase Point, an assisted living facility which includes a residential and adult day care program for people living with Alzheimer's and related dementia.

In Boothbay Harbor: St. Andrews Hospital and Healthcare Center, a 25-bed Critical Access Hospital; St. Andrews Village Community, which includes assisted living, independent living, Alzheimer's care, adult day services, and long-term nursing care; the Family Care Center; a multi-specialty medical arts facility; and St. Andrews Home Health.

Our hospitals provide a broad array of primary health care services to our region including: Emergency medicine, acute and swing inpatient care; laboratory, diagnostic imaging, and orthopedic surgery and general surgical services; a Palliative Care program; Social Services; Rehabilitation Services including physical therapy, occupational therapy, speech and language therapy, plus outpatient cardiac and pulmonary rehabilitation and outpatient oncology programs at St. Andrews, and obstetric care at Miles Memorial Hospital.

Lincoln County Healthcare's mission is to ensure access to high-quality, patient-centered and affordable health care to the people of our region. As renowned rural healthcare centers, St. Andrews' and Miles' primary focus is patient care, comfort, and safety provided by a personable, professional staff, utilizing the finest technology and equipment. We are active members of the MaineHealth® Family of healthcare providers and function in collaboration with other member organizations throughout southern, western, and central Maine.

The Lincoln County Healthcare Leadership Team, under the governance of a Board of Trustees, is responsible for the coordination, quality and efficiency of care provided.

III. Community Needs Assessment

The Board of Trustees is made up of a diverse set of community members. The Board requires a thorough Community Needs Assessment on behalf of the organization, and directs the organization to analyze and respond to the current needs assessment. Lincoln County Healthcare and its subsidiaries also participate in various initiatives and continuous research to keep those assessments up-to-date. Some of these programs include:

- Clinical Strategic Planning
- Financial Strategic Planning
- Facility Planning
- Manpower Planning
- Physician Recruitment Strategic Planning
- Emergency Preparedness Planning

In addition to those internal assessment groups, Lincoln County Healthcare also recognizes and acts on many of the recommendations provided by external state groups such as the Maine Center for Disease Control and Prevention and the “State Health Plan” created by the Advisory Committee of Health Systems Development.

IV. Subsidized Lincoln County Healthcare Community Programs and Other Support

Subsidized Health Services

- Lincoln Academy School-Based Health Clinic -- Miles Medical Group provides a mid-level clinician for the clinic at no charge. Miles Health Care provides medical supplies at no charge.
- Miles Home Health Foot Clinic -- offered at a reduced rate.
- Mammography Clinic -- offered once a year at a subsidized fee
- Breast Health Case Management -- these services are offered free of charge
- Weekly blood pressure screening clinic -- offered at no charge.
- Hepatitis B vaccination program, TB Testing, and blood-borne pathogen and exposure testing -- for health care volunteers at no charge
- Skin Cancer Screening /Education -- American Cancer Society “No Sun for Babies” Program. Free of charge
- *Subsidized Community Physician Services -- Lincoln County has few private practice physicians. In order to ensure access to primary care and certain specialty care physicians, Lincoln County Healthcare employs physicians and provides their services through its hospital based practices at St. Andrews Hospital and Miles Memorial Hospital. Services include: Family Medicine, General Surgery, Orthopedic Surgery, Pediatrics, Internal Medicine, Obstetrics and Gynecology. Services are provided without regard to ability to pay. Given the demographics of Lincoln County, these services -- although critical -- are not self-sufficient.
- School Health Center: St. Andrews practitioners provide discounted healthcare services to the students of the Boothbay Region School District.
- Maine Breast and Cervical Health Program: reduced fees services for women.

Community Health Services

- Hospice Volunteer Training -- seminars offered in the spring and fall (40 hour course) Free of charge. 24 participants.
- Monthly Alzheimer's Support Group -- Provided for free to the community
- Free Bi-Weekly Grief Support Group -- Provided to anyone in the community who has suffered a recent loss.
- Weekly Telephone Grief Support & Referral Service -- Provided through Miles Home Health & Hospice.
- Remembrance Gathering -- Memorial Service Sponsored by MHHH 25 participants
- Childbirth Classes offered through the Obstetrics Unit at Miles at a subsidized cost
- Physician referral answering service and physician referral guide -- mailed to all residents of Lincoln County at no charge.
- Local Speaker's Bureau -- Staff provided health-related presentations for nonprofit and service organizations.
- Provide class space for Emergency Medical Technician Training (no charge)
- Provide C.P.R. courses to local nonprofit agencies at a minimal cost
- Provide Infant and Child CPR classes and course materials for parents and family members at no charge
- Miles Memorial Hospital Emergency Department is a clinical site for Emergency Medical Technician Training.
- Miles Memorial Hospital Laboratory provides clinical training to EMTs.
- Flu Clinic: St. Andrews provides staff to administer influenza vaccine.
- Memory screenings: held annually in conjunction with the Alzheimer's Foundation of America
- Matter of Balance: a fall prevention program targeted to seniors hosted by St. Andrews Village in partnership with the Boothbay YMCA.
- Blood Pressure Screenings
- Nutritional Counseling Services
- Dental Hygiene Program: offered through the Family Care Center and the School Health Center.

Community-building activities

- Lincoln County Healthy Maine Partnership -- As a co-sponsor for this organization, Miles co-develops, provides funding and staffing, and implements a winter community health event each year. Miles staff participate on their Advisory Group and on various committees
- Lincoln Academy/Wiscasset High School, JMG -- The J.M.G. (Jobs for Maine's Graduates) program offers classes to sophomores, juniors, and seniors, as well as follow-up work with post-graduates that focus on appropriate attitudes and skills for the transition from high school to the workplace. Miles volunteer program provides opportunities to develop job skills
- Youth Promise -- The Mentor Assisted Community Service Program was developed to help juvenile offenders who, left on their own, would be unable to fulfill their court required community service commitment. Placed as volunteers for community service hours.

- Sweetser -- Sweetser's adult community-based services provide support and resources for individuals with behavioral and mental health needs who are eligible for services under state guidelines, to assist them in remaining in the community of their choice. These individuals are placed in volunteer positions at LCH, and LCH staff work with these individuals to assist them in developing job skills.
- ASPIRE/ TANF: Maine's Welfare Program -- The TANF Program provides cash assistance; employment, training and education opportunities; and work supports, such as childcare, to low-income parents with children. Most parents receiving TANF are required to participate in a work activity for 30 hours per week. Failure to participate results in a loss of benefits to the family. Parents are placed as volunteers for 30 hours a week at Miles.
- Senior Community Service Employment Program -- The goals are the enhancement of employment opportunities for older Americans and the promotion of older workers as a solution for businesses seeking a trained, qualified, and reliable workforce. The strategy is to utilize a service approach that can respond quickly and effectively to the changing needs of business.
- High School Job Fairs and Career Days -- Human Resources and various departments at Miles go to area high schools presenting health care career opportunities and provide job interview training and other job-seeking skills.
- Participate and support disaster preparedness in community.
- Lincoln County Physician Guide: provided to communities
- Meals On Wheels
- Friends in Service Helping (FISH): In partnership with FISH, St. Andrews Village coordinates scheduling of drivers.
- Domestic Abuse Prevention Council: partnership with community groups/individuals to address domestic violence

Charitable Giving

- Host and sponsor of the American Cancer Society Making Strides against Breast Cancer - provides volunteer leadership, meeting facilities, and is a sponsor for this event.
- Host and sponsor of the American Cancer Society Daffodil Days.
- Healthy Kids (Child Abuse and Neglect Council of Lincoln County) -- Miles Health Care is a Corporate Sponsor of the programs "Strawberry Shuffle" fundraiser.
- American Diabetes Association -- Miles Medical Group in Wiscasset actively raises funds in support of diabetes research and participates in the "Walk with your Doc Event."
- Salvation Army, Holiday Wish Tags in Lincoln County -- Provide volunteers and leadership to collect toys/gifts throughout Lincoln County Healthcare for area needy families.
- Food Donations -- The Dietary Departments donates extra food to Meals-on-Wheels, the local food pantry and the Salvation Army.
- Skidompha Summer Reading Program -- Miles sponsors this local Children's literacy program.
- Support of the Boothbay Region Ambulance Service: providing the Medical Director, supplies and pharmaceuticals.
- Donation of medical supplies for local and overseas missions

Health Professions Education

Internships – Lincoln County Health Care provides internship opportunities for nursing, social services, and resident physicians who are completing their rural rotations.

CNA Training – Provided three 12-week CNA classes at no charge to students

ED Training for EMS personnel – 4 reviews and in-services in trauma care for 20 E.M.S. personnel. EMS EKG course 12 students.

Miles Professional Development Program – Miles provided scholarships and continuing education opportunities to its employees and members of the community

Nursing School Clinical Placements – provide 3 to 12 week clinical placements for nursing school students in long-term care and in the hospital

Job Shadow Experience – provide half-day to day-long experiences to community members and high school students interested in pursuing a health care career.

Certified Residential Medication Aide Full Certification – provide this 40-hour course and the re-certification course at a reduced rate to community members and area assisted living facilities.

Personal Support Specialist – provide this 50-hour course at a reduced rate to community members.

The Lincoln County Healthcare Education Center is a collaborative effort of Central Maine Community College and Lincoln County Healthcare. The new school, the first college degree program in Lincoln County, opened in September 2008 to eight students. Next year, eight more students will begin classes. First year students have the option to earn a Licensed Practical Nursing (LPN) within a year and will have a five year grace period to complete the requirements for the RN credential, should they choose, or continue on for a second year to become a Registered Nurse. The program collaboratively works with colleges, clinical departments of the hospital, long term care facilities, MaineHealth, Lincoln Academy, and local businesses. Students receive classroom training at Central Maine Community College and in classrooms at the Lincoln County Healthcare Education Center located at 66A Chapman Street, in Damariscotta. An agreement with Lincoln Academy will allow students to use their labs for a percentage of their work. Clinical training will be at Miles Memorial Hospital, St. Andrews Hospital, and at our long-term facilities in both communities. Lincoln County Healthcare provides administration services, clinical training, equipment, supplies, technical support, and two full scholarships to the school.

<p>Lincoln County Healthcare's Aggregate "Net Community Benefit Investment" = \$ 5,113,115 *</p>

* In addition to the aforementioned programs, Lincoln County Health Care, Inc. provides its proportional share of support for the annual budget of the following programs, through both "member dues" and "fund balance transfers". While all member organizations may not participate directly in the following initiatives, all members provide some level of financial support to help sustain and grow these MaineHealth programs.

Clinical Integration

AH! Asthma Health – The AH! Program improves the care and outcomes for Maine people with asthma. The program not only develops and coordinates asthma treatment education for Physicians, but also sends asthma educators into schools and community organizations to provide further information. In addition, the Program lends support and expertise to the local asthma

“HelpLine” for Somali and Latino community members in collaboration with the City of Portland, Health and Human Services.

TARGET Diabetes – The TARGET Diabetes Program improves care and outcomes for Maine people with diabetes. The program provides learning opportunities and support for primary care practices, helps Physicians utilize an electronic registry to track outcome measures for patients, and creates/distributes patient health education booklets for the community.

Healing Hearts – Healing Hearts improves heart failure care and outcomes for Maine people with the condition. The program coordinates the distribution of pamphlets, scales, and any other resources intended to help people manage heart failure. Healing Hearts also established an electronic registry for Physicians to track patient progress, and hospitals using this program consistently score above national averages on quality measures for patients with heart failure.

Cardiovascular Health Program – The Cardiovascular Health program improves the care and outcomes for Maine patients with cardiovascular disease (CVD). Along with an electronic registry for Physicians, the program produced a public awareness campaign for public access television in Greater Portland. The Cardiovascular Health program also supports the efforts of hospitals in offering preventative screenings to thousands of people with CVD through risk screening and reduction programs.

Acute Myocardial Infarction (AMI) – The AMI program improves outcomes of individuals that experience a certain type of heart attack (STEMI) by redesigning systems to ensure high quality, timely, and coordinated care. Through the AMI program’s “Rapid Response” packets, health systems met goals for decreasing the transport time to treat patients. Program staff also informs hospitals of cardiology literature and clinical practice guidelines.

Caring for ME – Caring for ME helps people with depression and those who care for and about them. The program trains primary care providers on the diagnosis and treatment of patients, and many physicians use an electronic registry to track outcome measures. In 2006, the program was chosen as one of only 20 healthcare organizations nationwide to participate in a year-long project focused on increasing patient and family involvement in chronic disease self-management.

Mental Health Integration – MaineHealth, in partnership with Spring Harbor and MMC Mental Health Network, developed a pilot program to improve primary care/mental health integration. The program conducts a collaborative “Learning Community” exploring the effectiveness, efficiency and cost/benefit of integration with 6 pairs of primary care/mental health partners.

Stroke Care – The MaineHealth Stroke Care Initiative seeks to improve the care and outcomes of patients who suffer from ischemic stroke, hemorrhagic stroke, and TIA. The program offers a set of provider education (e.g. pathways, guidelines) materials and patient education materials. Staff are working to develop systems to coordinate services and efficiently transfer patients across the system, while increasing access to neurology services for hospitals in need.

Prevention – The Prevention program seeks to improve adherence to adult and pediatric clinical preventative health guidelines. The program has created a preventative health module in the Clinical Improvement Registry (CIR); has developed patient oriented adult and pediatric preventative health guidelines and tracking tools so as to monitor preventative measures by population; and also has developed tools to support patient self management and provider education.

Osteoporosis – The Osteoporosis program seeks to improve the health and outcomes of patients who suffer from osteoporosis. This includes identifying patients who have had a fragility fracture and connecting them to their primary care providers for appropriate follow through. The program includes education materials to help providers in the prevention and treatment of osteoporosis and patient education materials that promote patient self management and fall prevention.

Palliative Care – The Palliative Care program seeks to improve the care of patients who have limited life expectancy and require comprehensive biomedical, psychosocial, and spiritual support as they enter the terminal stage of illness or condition. The program also supports family members coping with the complex consequences of illness, disability, and aging as death nears, while addressing the bereavement needs of family following the death of the patient.

Oncology – The Oncology program is looking to improve access to high quality cancer services throughout the MaineHealth region; to improve capacity to deliver patient centered care and coordination of cancer care services; and to develop additional infrastructure needed to support defined levels of cancer care.

Infection Prevention and Control Consortium – This program coordinates infection prevention and control initiatives in MaineHealth hospitals. The program focuses on quality improvement and measures the impact of its efforts at both the hospital and system level.

Health Status Programs

Healthy Weight Initiative – This initiative targets both children and adults in the community. The key parts of the initiative include clinical, community, and environmental/policy interventions. MaineHealth’s financial and in-kind support for this initiative recognizes the importance of preventing obesity as a major driver of health care costs, a major risk factor for chronic diseases, and a well-documented community epidemic. In FY08, MaineHealth also made a significant financial contribution to the Maine Youth Overweight Collaborative.

Community Education Programs

MaineHealth Learning Resource Centers – With three Maine locations, the LRCs provide patients, health care providers, and community members with easy access to quality health information and a wealth of educational reference material. In addition, the LRCs offer the public over 100 unique classes taught by professionals (e.g. healthy cooking, yoga, chronic disease self-management, cancer prevention, and mental health awareness).

Parkinson’s Information and Referral Center – The Center is a primary resource for people with Parkinson’s disease, as well as their families and healthcare providers. Assistance includes “patron requests” for information, direct physician referrals, educational outreach to health care facilities, coordinating support groups, and specialized classes for newly-diagnosed individuals.

Access to Care Programs

CarePartners – The program arranges the provision of donated healthcare services for low income uninsured Mainers in Cumberland, Kennebec, and Lincoln Counties. CarePartners also provides administrative support to help serve the target population, including comprehensive eligibility assessment, care management, and access to low cost or free pharmaceuticals.

MedAccess – The program provides access to approximately one million dollars of free medications. CarePartners provides this community resource to uninsured and underinsured community members through the Patient Assistance Programs (PAPs). In addition to this service, MedAccess offers application assistance for other prescription access programs (Medicare Part D, etc) either in-person or through a toll-free number.

System Development

Healthviews Television Network - Healthviews is a community health education television partnership with Greater Portland's local community access channel. The program airs 12 monthly half-hour segments that provide the latest information on important health and medical issues to help community members become more informed consumers.

Partnership for Healthy Aging

PHA leads the implementation of evidence-based prevention programs for older adults (Living Well, A Matter of Balance, EnhanceWellness, EnhanceFitness, Healthy IDEAS) throughout Maine. The efforts of Elder Care Services focus upon improving transitions, prevention, and quality across the care continuum. Initiatives include Care Transitions coaching, Community Links, and Falls Prevention Tools for providers and patients.

VitalNetwork

The enhanced-ICU (E-ICU) initiative allows audio/video patient monitoring to coincide with real time display of information trend and condition changes. The system is staffed by expert ICU Physicians and Nurses in a central station, allowing enhanced remote monitoring of patients in multiple locations. Similar systems have been proven to reduce ICU mortality by 25%. MaineHealth was the first healthcare system in New England to implement the e-ICU program.

V. Billing and Collection Practices

Billing

Lincoln County Healthcare charges all patients the same price for the same services, regardless of payor source. Individuals are not required to pay or make arrangements to pay prior to the services being provided. On average, the first bill is sent to a patient 7-10 days after services are provided. After that initial billing date, the patient has 30 days to pay for those services. Before collection action is taken, three notices must be sent to patients informing them of their lack of proper payments and continued attempts to communicate with them about a solution. In the absence of either full payment or a patient's attempts to communicate in order to resolve the situation, LCH does use a responsible and professional collection agency if necessary. A bill will become classified as "bad debt" if a patient has not paid the full amount within 120 days. MaineHealth hospitals may pursue legal action for collecting an outstanding bill only with prior Board approval. The LCH Board has not voted to pursue such legal action in the past several years. Member organizations offering long-term and residential care services have, from time to time, taken legal action to collect amounts due from patients or residents who are not covered under the MaineCare program and have the sufficient resources to pay for the services they received.

VI. Charity Care Policies

Charity Care

Lincoln County Healthcare's policy of charity care and financial assistance is easily understood, prominently posted, and publicly available. A process exists for offering charity care or financial assistance to patients who are unable to pay after they have already been billed. In addition to monitoring collection practices, copies of the charity care policy are made available to patients at the main entrance and with bill/collection notices. The organization uses simple application procedures for charity care or financial assistance that do not intimidate or confuse applicants. LCH's employees who work in billing, and accounts receivable distribute applications, and actively encourage patients to contact our financial counselor as needed. All patient financial records are completely confidential.

NOTICE OF AVAILABILITY OF UNCOMPENSATED SERVICES

Miles Memorial Hospital and St. Andrews Hospital are required by law to give a reasonable amount of its services without charge to eligible persons who can not afford to pay for care. To be eligible to receive uncompensated service, your family income must be at or below the following levels:

	100% write off	75% write off	50% write off
1	0 – \$17,868	up to \$20,240	up to \$22,973
2	0 - \$23,958	up to \$27,380	up to \$30,803
3	0 - \$30,048	up to \$34,340	up to \$38,633
4	0 - \$36,138	up to \$41,300	up to \$46,463
5	0 - \$42,228	up to \$48,260	up to \$54,293
6	0 - \$48,318	up to \$55,220	up to \$62,123
7	0 - \$54,408	up to \$62,180	up to \$69,953
8	0 - \$60,498	up to \$69,140	up to \$77,783

VII. Good Governance and Executive Compensation Policies

Good Governance

LCH has a Board of 20 community members, a majority of whom are not practicing physicians, officers, department heads, or other employees with a financial connection or otherwise affiliated with the organization itself. The Board meets 12 times a year (on average), and has a written "conflict of interest" policy in place. The Board understands the specific mission of the organization, and approves strategic planning initiatives aimed at carrying out this mission. Trustees understand their fiscal and other specific responsibilities while serving on the Board, and further education/information is provided to Board members if requested. Trustees of LCH do not receive loans on behalf of the organization. The organization ensures that a substantial part of its activities do not involve attempts to influence legislation, and that it will not take an official position or provide direct support for or against a political candidate. Moreover, in addition to the CEO, CFO, or both officially signing-off on yearly 990s and audited financial statements, the Board of Trustees must also have final approval of the yearly audited financial statements. The Board has also adopted and maintains a corporate compliance program that includes a Code of Conduct for all staff education and training, monitoring for compliance, and a Helpline for staff to call, all intended to produce continual compliance with organizational policies and the law.

Executive Compensation

In consultation with Towers Perrin, The MaineHealth Board Compensation Committee establishes appropriate compensation parameters for each member organization's CEO and certain members of their Senior Management team. Working within those parameters, the LCH Board determines the level of compensation for its CEO. The findings of the Compensation Committee are made transparent to, and voted on by, the full Governing Board. This "total executive compensation" is filed publicly by the organization, and includes "total cash compensation" and "total value of all benefits and perquisites associated with position (such as housing allowances, social club memberships, signing bonuses, etc.)". The Board takes necessary action to prevent the CEO from voting or directly participating in the final Committee determination of (her/his) own compensation. The organization's executive compensation procedure relies upon appropriate data for comparability (e.g. compensation levels paid by both taxable and tax-exempt similarly situated organizations and independent compensation surveys by nationally recognized independent firms). Finally, the organization refrains from allowing executive compensation to ever be based solely on LCH's revenues or other similar profit-sharing strategies.

VIII. Aggregate Financial Data

Lincoln County Healthcare's Community Benefit Summary ***

1. Charity care (at cost)	<u>\$ 1,046,985</u>
2. Bad debt (at cost)	<u>\$ 1,178,913</u>
3. Government-sponsored health care (shortfall) - Unpaid cost of Medicare, MaineCare, and other hospital-specific indigent care programs	<u>\$ 17,077,816</u>
4. Net Community Benefit Investment Programs (net expense), e.g.	<u>\$ 5,113,115</u>

<i>Total Value of Quantifiable Benefits Provided to the Community</i>	<u>\$24,416,829</u>
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*** Form created based on AHA guidelines