

Form **990**
 Department of the Treasury
 Internal Revenue Service

Return of Organization Exempt From Income Tax
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)
 The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047
2009
Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 10-01-2009 and ending 09-30-2010

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

C Name of organization
 MILES MEMORIAL HOSPITAL
 Doing Business As
 Number and street (or P O box if mail is not delivered to street address) Room/suite
 35 MILES STREET
 City or town, state or country, and ZIP + 4
 DAMARISCOTTA, ME 04543

D Employer identification number
 01-0211796
E Telephone number
 (207) 563-1234
G Gross receipts \$ 55,539,793

F Name and address of principal officer
 WAYNE PRINTY CFO
 35 MILES STREET
 DAMARISCOTTA, ME 04543

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)
H(c) Group exemption number

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

J Website: WWW.MILESHEALTHCARE.ORG

K Form of organization Corporation Trust Association Other

L Year of formation 1929 **M** State of legal domicile ME

Part I Summary

1 Briefly describe the organization's mission or most significant activities
 MILES MEMORIAL HOSPITAL IS DEDICATED TO MAINTAINING AND IMPROVING THE HEALTH OF OUR COMMUNITIES BY ASSURING THE VERY BEST, HIGHEST QUALITY, AND COMPASSIONATE HEALTH CARE SERVICES FROM HIGHLY TRAINED PROFESSIONALS, OUR SERVICES ARE COST-EFFECTIVE AND ACCESSIBLE TO ALL REGARDLESS OF THEIR ABILITY TO PAY, AS A NOT-FOR-PROFIT, CHARITABLE ORGANIZATIONS, WE WILL BE TRUSTWORTHY STEWARDS OF OUR RESOURCES, OUR ACTIVE PARTICIPATION AND SUPPORT OF THE MAINEHEALTH FAMILY

2 Check this box if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a) **3** 21

4 Number of independent voting members of the governing body (Part VI, line 1b) **4** 17

5 Total number of employees (Part V, line 2a) **5** 480

6 Total number of volunteers (estimate if necessary) **6** 165

7a Total gross unrelated business revenue from Part VIII, column (C), line 12 **7a** 0

b Net unrelated business taxable income from Form 990-T, line 34 **7b**

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	345,624	486,970
	9 Program service revenue (Part VIII, line 2g)	51,660,868	52,398,414
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-833,367	291,801
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	679,254	464,085
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	51,852,379	53,641,270
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	18,900,118	17,713,785
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) 200,930		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	33,640,263	34,395,995
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	52,540,381	52,109,780	
19 Revenue less expenses Subtract line 18 from line 12	-688,002	1,531,490	
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	39,211,775	42,801,241
	21 Total liabilities (Part X, line 26)	18,718,779	12,399,451
22 Net assets or fund balances Subtract line 21 from line 20	20,492,996	30,401,790	

Part II Signature Block

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

Signature of officer: _____ Date: 2011-08-09
 WAYNE PRINTY CHIEF FINANCIAL OFFICER
 Type or print name and title

Paid Preparer's Use Only

Preparer's signature: _____ Date: 2011-08-09 Check if self-employed
 Firm's name (or yours if self-employed), address, and ZIP + 4: MAINEHEALTH
 110 FREE ST
 PORTLAND, ME 041013908
 Preparer's identifying number (see instructions): _____
 EIN: _____
 Phone no: _____

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

MILES MEMORIAL HOSPITAL IS DEDICATED TO MAINTAINING AND IMPROVING THE HEALTH OF OUR COMMUNITIES BY ASSURING THE VERY BEST, HIGHEST QUALITY, AND COMPASSIONATE HEALTH CARE SERVICES FROM HIGHLY TRAINED PROFESSIONALS, OUR SERVICES ARE COST-EFFECTIVE AND ACCESSIBLE TO ALL REGARDLESS OF THEIR ABILITY TO PAY, AS A NOT-FOR-PROFIT, CHARITABLE ORGANIZATIONS, WE WILL BE TRUSTWORTHY STEWARDS OF OUR RESOURCES, OUR ACTIVE PARTICIPATION AND SUPPORT OF THE MAINEHEALTH FAMILY

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 28,033,571 including grants of \$) (Revenue \$ 40,007,242)
HOSPITAL OPERATIONS MILES MEMORIAL HOSPITAL IS A 38 BED SOLE COMMUNITY HOSPITAL THE HOSPITAL OPERATIONS PROVIDE ACUTE, REHABILITATIVE, OBSTETRICS AND INTENSIVE CARE IN ITS INPATIENT SETTING OUTPATIENT SERVICES INCLUDE EMERGENCY CARE, GENERAL AND ORTHOPEDIC SURGERY, PHYSICAL THERAPY, OCCUPATIONAL THERAPY, SPEECH THERAPY, CARDIOPULMONARY SERVICES, DIAGNOSTIC IMAGING, LABORATORY, AND PHARMACY SERVICES PLEASE REFER TO THE ATTACHED STATISTICS AND COMMUNITY BENEFITS STATEMENT FOR A MORE DETAILED DESCRIPTION OF ITS PROGRAMS

4b (Code) (Expenses \$ 15,696,153 including grants of \$) (Revenue \$ 12,391,172)
PHYSICIAN SERVICES MILES MEMORIAL HOSPITAL, DBA LINCOLN MEDICAL PARTNERS (LMP), IS A MULTI-SPECIALTY PHYSICIAN PRACTICE WITH OFFICES IN BOOTHBAY HARBOR, DAMARISCOTTA, WALDOBORO AND WISCASSET LMP SPECIALTIES INCLUDE ANESTHESIOLOGY, EMERGENCY MEDICINE, FAMILY MEDICINE, INTERNAL MEDICINE, GENERAL SURGERY, ORTHOPAEDICS, OBSTETRICS AND GYNECOLOGY, AND PEDIATRICS

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

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 43,729,724

Part IV Checklist of Required Schedules

Table with 3 main columns: Question, Yes, No. Rows 1-20 covering various organizational requirements like political activities, lobbying, donor funds, and financial statements.

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable		
	1a 0		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return		
	2a 480		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d _____		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

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

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body (21); 1b Enter the number of voting members that are independent (17); 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (No); 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (No); 4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? (No); 5 Did the organization become aware during the year of a material diversion of the organization's assets? (No); 6 Does the organization have members or stockholders? (Yes); 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? (Yes); 7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? (Yes); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: 8a The governing body? (Yes); 8b Each committee with authority to act on behalf of the governing body? (Yes); 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O (No).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Does the organization have local chapters, branches, or affiliates? (No); 10b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?; 11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? (Yes); 11A Describe in Schedule O the process, if any, used by the organization to review the Form 990; 12a Does the organization have a written conflict of interest policy? If "No," go to line 13 (Yes); 12b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (Yes); 12c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done (Yes); 13 Does the organization have a written whistleblower policy? (Yes); 14 Does the organization have a written document retention and destruction policy? (Yes); 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? 15a The organization's CEO, Executive Director, or top management official (Yes); 15b Other officers or key employees of the organization (Yes); 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? (No); 16b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

Table with 2 columns: Question, Answer. Rows include: 17 List the States with which a copy of this Form 990 is required to be filed (ME); 18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply: [] Own website, [] Another's website, [x] Upon request; 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table; 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: CHIEF FINANCIAL OFFICER, 35 MILES STREET, DAMARISCOTTA, ME 04543, (207) 563-1234.

1b Total	514,299	1,644,178	159,744
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2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **▶** **4**

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

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

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

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a						
	b	Membership dues 1b						
	c	Fundraising events 1c						
	d	Related organizations 1d						
	e	Government grants (contributions) 1e	5,000					
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	481,970					
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f ▶	486,970					
Program Service Revenue	2a	NET PATIENT SERVICE REVENUE	623,000	52,398,414	52,398,414			
	b	_____						
	c	_____						
	d	_____						
	e	_____						
	f	All other program service revenue						
	g	Total. Add lines 2a-2f ▶	52,398,414					
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) ▶	75,190			75,190		
	4	Income from investment of tax-exempt bond proceeds ▶						
	5	Royalties ▶						
	6a	Gross Rents	(i) Real					
			(ii) Personal					
			b	Less rental expenses				
			c	Rental income or (loss)				
	d	Net rental income or (loss) ▶						
	7a	Gross amount from sales of assets other than inventory	(i) Securities	2,113,489				
			(ii) Other	1,645				
			b	Less cost or other basis and sales expenses	1,895,216			
			c	Gain or (loss)	218,273			
d	Net gain or (loss) ▶	216,611	216,611					
8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a							
		b	Less direct expenses b					
		c	Net income or (loss) from fundraising events ▶					
9a	Gross income from gaming activities See Part IV, line 19 a							
		b	Less direct expenses b					
		c	Net income or (loss) from gaming activities ▶					
10a	Gross sales of inventory, less returns and allowances a							
		b	Less cost of goods sold b					
		c	Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	Business Code						
11a	MISCELLANEOUS	900,099	464,085	464,085				
b	_____							
c	_____							
d	All other revenue							
e	Total. Add lines 11a-11d ▶	464,085						
12	Total revenue. See Instructions ▶	53,641,270	53,079,110		75,190			

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	13,723,579	12,059,818	1,663,761	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	269,189	236,554	32,635	
9	Other employee benefits	2,712,085	2,452,030	260,055	
10	Payroll taxes	1,008,932	886,615	122,317	
11	Fees for services (non-employees)				
a	Management				
b	Legal	58,159		58,159	
c	Accounting	548,517		548,517	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	21,375,925	16,312,563	4,862,633	200,729
12	Advertising and promotion	26,378	24,187	2,191	
13	Office expenses	4,839,558	4,476,531	362,826	201
14	Information technology	25,571		25,571	
15	Royalties				
16	Occupancy	995,281	995,204	77	
17	Travel	22,026	18,303	3,723	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	308,405	308,222	183	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	1,949,730	1,875,108	74,623	
23	Insurance	111,226	111,226		
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	BAD DEBTS	2,161,820	2,161,820		
b	STATE TAXES	1,150,470	1,150,470		
c	MISCELLANEOUS	418,709	363,916	54,793	
d	FOOD COSTS	285,300	280,250	5,050	
e	DUES & SUBSCRIPTIONS	99,134	13,701	85,433	
f	All other expenses	19,786	3,206	16,580	
25	Total functional expenses. Add lines 1 through 24f	52,109,780	43,729,724	8,179,127	200,930
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	374,740	1	1,047,277
	2 Savings and temporary cash investments	4,320,796	2	3,432,376
	3 Pledges and grants receivable, net	12,662	3	12,598
	4 Accounts receivable, net	5,722,120	4	6,378,119
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	173,159	7	154,505
	8 Inventories for sale or use	947,580	8	1,043,113
	9 Prepaid expenses and deferred charges	164,848	9	134,167
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	45,194,813		
	b Less accumulated depreciation	27,190,868	10c	18,003,945
	11 Investments—publicly traded securities	3,291,031	11	4,315,358
	12 Investments—other securities. See Part IV, line 11	2,922,838	12	3,002,777
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	2,365,207	15	5,277,006
16 Total assets. Add lines 1 through 15 (must equal line 34)	39,211,775	16	42,801,241	
Liabilities	17 Accounts payable and accrued expenses	3,268,060	17	2,225,116
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	5,521,222	20	5,251,641
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	475,466	23	181,656
	24 Unsecured notes and loans payable to unrelated third parties	16,672	24	12,491
	25 Other liabilities. Complete Part X of Schedule D	9,437,359	25	4,728,547
	26 Total liabilities. Add lines 17 through 25	18,718,779	26	12,399,451
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	16,587,111	27	26,357,234
	28 Temporarily restricted net assets	39,231	28	49,338
	29 Permanently restricted net assets	3,866,654	29	3,995,218
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	20,492,996	33	30,401,790	
34 Total liabilities and net assets/fund balances	39,211,775	34	42,801,241	

Part XI Financial Statements and Reporting

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

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2009

Open to Public Inspection

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

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
MILES MEMORIAL HOSPITAL

Employer identification number

01-0211796

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

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1 A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III - Functionally integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
 (ii) a family member of a person described in (i) above?
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) 12

13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f)) 14

15 Public Support Percentage for 2008 Schedule A, Part II, line 14 15

16a 33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b 33 1/3% support test—2008. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12)						

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

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

For Organizations Exempt From Income Tax Under section 501(c) and section 527

2009

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization is described below. Attach to Form 990 or Form 990-EZ. See separate instructions.

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization MILES MEMORIAL HOSPITAL

Employer identification number

01-0211796

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
2 Political expenditures \$
3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 \$
2 Enter the amount of any excise tax incurred by organization managers under section 4955 \$
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
4a Was a correction made? Yes No
b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities \$
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities \$
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b \$
4 Did the filing organization file Form 1120-POL for this year? Yes No
5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received. The table is currently empty.

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

- A** Check if the filing organization belongs to an affiliated group
- B** Check if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount Enter the amount from the following table in both columns														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%; text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000													
Over \$17,000,000	\$1,000,000													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a If zero or less, enter -0-														
i Subtract line 1f from line 1c If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities? If "Yes," describe in Part IV	Yes		12,682
j Total lines 1c through 1i			12,682
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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

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

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

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
	SCHEDULE C, PART II-B, LINE 1I	PERCENTAGE OF ANNUAL DUES ALLOCATED TOWARDS LOBBYING EXPENSES MAINE HOSPITAL ASSOCIATION 4,723 AMERICAN HOSPITAL ASSOCIATION 2,959 COMMUNITY HOSPITALS FOR CRITICAL ACCESS COALITION 5,000 TOTAL LOBBYING EXPENSES 12,682

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2009

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization MILES MEMORIAL HOSPITAL

Employer identification number 01-0211796

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

- a Total number of conservation easements
b Total acreage restricted by conservation easements
c Number of conservation easements on a certified historic structure included in (a)
d Number of conservation easements included in (c) acquired after 8/17/06

Table with 2 columns: Held at the End of the Year. Rows 2a, 2b, 2c, 2d.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1; (ii) Assets included in Form 990, Part X
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items: a Revenues included in Form 990, Part VIII, line 1; b Assets included in Form 990, Part X

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

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

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

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	5,313,331	5,415,439			
b Contributions	98,001	33,521			
c Investment earnings or losses	250,932	-129,650			
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses	6,336	5,979			
g End of year balance	5,655,928	5,313,331			

2 Provide the estimated percentage of the year end balance held as

- a** Board designated or quasi-endowment **▶ 29.360 %**
- b** Permanent endowment **▶ 70.640 %**
- c** Term endowment **▶**

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

	Yes	No
(i) unrelated organizations	3a(i) Yes	
(ii) related organizations	3a(ii)	No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	No

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

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,754,573		1,754,573
b Buildings		24,550,293	12,570,505	11,979,788
c Leasehold improvements		1,739,813	1,136,066	603,747
d Equipment		17,099,118	13,484,297	3,614,821
e Other		51,016		51,016
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				18,003,945

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
SUPPLEMENTAL FINANCIAL INFORMATION	SCHEDULE D, PAGE 4, PART XIV	ENDOWMENT FUNDS ARE USED FOR HOSPITAL OPERATIONS, AN ANNUAL EXCELLENCE IN HEALTH CARE AWARD IS PRESENTED TO AN EMPLOYEE, CHARITY CARE, AND NON-COVERED COSTS OF MANAGING A LONG-TERM ILLNESS

**SCHEDULE H
(Form 990)**

Hospitals

OMB No 1545-0047

2009

**Open to Public
Inspection**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990.**
▶ **See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization
MILES MEMORIAL HOSPITAL

Employer identification number
01-0211796

Part I Charity Care and Certain Other Community Benefits at Cost

	Yes	No
1a Does the organization have a charity care policy? If "No," skip to question 6a	1a Yes	
b If "Yes," is it a written policy?	1b Yes	
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <input type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> Generally tailored to individual hospitals		
3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients		
a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>1.75000 %</u>	3a Yes	
b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>2.25000 %</u>	3b Yes	
c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care		
4 Does the organization's policy provide free or discounted care to the "medically indigent"?	4 Yes	
5a Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a Yes	
b If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b Yes	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c	No
6a Does the organization prepare an annual community benefit report?	6a Yes	
6b If "Yes," does the organization make it available to the public?	6b Yes	

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			1,721,376		1,721,376	3.300 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			8,139,483	4,708,262	3,431,221	6.580 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			9,860,859	4,708,262	5,152,597	9.890 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			41,753		41,753	0.080 %
f Health professions education (from Worksheet 5)			54,017	4,250	49,767	0.100 %
g Subsidized health services (from Worksheet 6)			13,737,920	10,670,363	3,067,557	5.890 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			2,557		2,557	
j Total Other Benefits			13,836,247	10,674,613	3,161,634	6.070 %
k Total. Add lines 7d and 7j			23,697,106	15,382,875	8,314,231	15.960 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			229		229	
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other			6,000		6,000	0.010 %
10 Total			6,229		6,229	0.010 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	Yes	No
1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	No
2 Enter the amount of the organization's bad debt expense (at cost)	2	1,080,805
3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.		

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	11,744,288
6 Enter Medicare allowable costs of care relating to payments on line 5	6	13,068,755
7 Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-1,324,467
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a Does the organization have a written debt collection policy?	9a	Yes
9b If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes

Part IV Management Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
MILES MEMORIAL HOSPITAL 35 MILES STREET DAMARISCOTTA, ME 04543									
MILES MEMORIAL HOSPITAL DBA LMP FAMILY MEDICINE VAN WINKLE MEDICAL BUILDING 79 SCHOONER ST DAMARISCOTTA, ME 04543									
MILES MEMORIAL HOSPITAL DBA LMP FAMILY MEDICINE 230 KALERS CORNER WALDOBORO, ME 04572									
MILES MEMORIAL HOSPITAL DBA LMP FAMILY MEDICINE 49 HOOPER STREET WISCASSET, ME 04578									
MILES MEMORIAL HOSPITAL DBA LMP INTERNAL MEDICINE 5 MILES CENTER WAY DAMARISCOTTA, ME 04543									
MILES MEMORIAL HOSPITAL DBA LMP PEDIATRICS 79 SCHOONER STREET DAMARISCOTTA, ME 04543									
MILES MEMORIAL HOSPITAL DBA LMP ORTHOPEDICS 5 MILES CENTER WAY DAMARISCOTTA, ME 04543									
MILES MEMORIAL HOSPITAL DBA LMP GENERAL SURGERY 5 MILES CENTER WAY DAMARISCOTTA, ME 04543									
MILES MEMORIAL HOSPITAL DBA THE WOMEN'S CENTER 24 MILES CENTER WAY DAMARISCOTTA, ME 04543									
MILES MEMORIAL HOSPITAL DBA LINCOLN MEDICAL PARTNERS 42 BELVEDERE ROAD NEWCASTLE, ME 04553									
MILES MEMORIAL HOSPITAL DBA THE FAMILY CARE CENTER 14 ST ANDREWS LANE BOOTHBAY HARBOR, ME 04538									

Part VI Supplemental Information

Complete this part to provide the following information

- 1** Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

See additional data

- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves

See additional data

- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

See additional data

- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

See additional data

- 5 Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

LINCOLN COUNTY HEALTHCARE, INC AND ITS SUBSIDIARY HOSPITAL ORGANIZATIONS MILES MEMORIAL HOSPITAL AND ST ANDREWS HOSPITAL PARTNER WITH VARIOUS COMMUNITY GROUPS SUCH AS THE LINCOLN COUNTY ABUSE TASK FORCE AND THE DOMESTIC ABUSE PREVENTION COUNCIL TO IMPROVE AND PROTECT THE HEALTH OF ITS COMMUNITY MEMBERS MEALS ARE PREPARED BY ITS STAFF AS PART OF THE LOCAL MEALS ON WHEELS PROGRAMS WHICH DELIVERS MEALS TO THE ELDERLY POPULATION TO ASSIST WITH THEIR NUTRITIONAL NEEDS LCHC PARTICIPATES IN THE COMMUNITY DISASTER TRAINING HELD ON A REGULAR BASIS THROUGHOUT THE COUNTY

- 6** Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

See additional data

- 7** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

See additional data

- 8** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

ME

Additional Data

Software ID:

Software Version:

EIN: 01-0211796

Name: MILES MEMORIAL HOSPITAL

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

CHARITY CARE AND MEANS-TESTED GOVERNMENT PROGRAMS UTILIZE A COST TO CHARGE RATIO IN DETERMINING THE COST OF THE ACTUAL CHARITY CARE WRITE-OFF THE COST TO CHARGE RATIO IS DERIVED FROM THE ANNUAL COST REPORT SUBMISSIONS

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

SUBSIDIZED HEALTH SERVICES INCLUDE SCHOOL BASED HEALTH CENTERS WHERE LINCOLN COUNTY HEALTH CARE, INC (LCHC) AND ITS SUBSIDIARIES MILES MEMORIAL HOSPITAL (MMH) AND ST ANDREWS HOSPITAL (SAH) PROVIDE PHYSICIANS OR NURSE PRACTITIONERS TO CONSULT AND PROVIDE SERVICES WITHIN THE SCHOOL CLINICS ARE ALSO OFFERED THROUGHOUT THE YEAR TO PROVIDE SUBSIDIZED SERVICES SUCH AS MAMMOGRAPHY, BLOOD PRESSURE SCREENINGS, ETC TO ENCOURAGE ITS RESIDENTS TO OBTAIN THESE HEALTH SERVICES PHYSICIAN PRACTICES OFFERING SERVICES SUCH AS FAMILY MEDICINE, INTERNAL MEDICINE AND PEDIATRICS OPERATE AT A LOSS IN ORDER TO ENSURE HEALTHCARE FOR ITS COMMUNITY MEMBERS REGARDLESS OF THEIR ABILITY TO PAY 3,067,557 OF EXPENSES RELATED TO OUTPATIENT CLINICS ARE INCLUDED IN THE SUBSIDIZED HEALTH SERVICES TOTAL IN PART I, LINE 7G

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

BAD DEBT EXPENSE OF 2,161,820 WAS REMOVED FROM TOTAL EXPENSES WHEN CALCULATING THE PERCENT OF TOTAL EXPENSES IN COLUMN (F)

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

A COMMUNITY BENEFIT REPORT IS ONLY FILED IN MAINE THE COMMUNITY BENEFIT REPORT IS CONTAINED WITHIN THE REPORT PREPARED BY LINCOLN COUNTY HEALTH CARE, INC SEE SCHEDULE O ADDITIONAL INFORMATION PART I, LINE 3B ELIGIBILITY FOR FREE OR DISCOUNTED CARE IS BASED ON INCOME CRITERIA AS OUTLINED BELOW 175% FPL - 100% WRITE-OFF 200% FPL - 75% WRITE-OFF 225% FPL - 50% WRITE-OFF % FEDERAL POVERTY LEVELS (FPL) TAKE INTO ACCOUNT FAMILY SIZE NO ASSET TEST, OR OTHER CRITERIA IS EVALUATED FOR ELIGIBILITY THESE LEVELS SURPASS THE MINIMUM STATE REQUIREMENTS FOR FREE CARE ELIGIBILITY AT 150% OF FPL

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

THE HEALTH NEEDS OF THE COMMUNITY ARE ASSESSED BY UTILIZING THE MAINE STATE HEALTH PLAN AND ASSESSMENT, COMMUNITY FORUMS, INVOLVEMENT IN COMMUNITY BASED HEALTH STATUS IMPROVEMENT PROGRAMS AND IN CONJUNCTION WITH MAINEHEALTH (OUR HEALTH CARE SYSTEM) MAINEHEALTH ALSO PARTICIPATES IN VARIOUS INITIATIVES TO HELP SUPPORT AND PROVIDE UPDATES TO COMMUNITY NEEDS ASSESSMENT PLANNING SOME OF THESE INITIATIVES INCLUDE CLINICAL STRATEGIC PLANNING, FINANCIAL STRATEGIC PLANNING, FACILITY PLANNING, MANPOWER PLANNING, PHYSICIAN RECRUITMENT STRATEGIC PLANNING, EMERGENCY PREPAREDNESS PLANNING ALONG WITH THE INTERNAL ASSESSMENTS, MOST MEMBER ORGANIZATIONS ALSO REVIEW AND ACT ON MANY OF THE RECOMMENDATIONS PROVIDED BY EXTERNAL GROUPS SUCH AS THE MAINE CENTER FOR DISEASE CONTROL AND PREVENTION AND THE "STATE HEALTH PLAN" CREATED BY THE ADVISORY COMMITTEE FOR HEALTH SYSTEMS DEVELOPMENT IN ADDITION, MAINEHEALTH AND ITS PARTNERS IN THE ONEMAINE HEALTH COLLABORATIVE, EASTERN MAINE HEALTH SYSTEM AND MAINEGENERAL HEALTH, RELEASED THE ONEMAINE HEALTH COMMUNITY HEALTH NEEDS ASSESSMENT REPORT IN 2011 THE REPORT IS A COMPREHENSIVE COMPILATION AND ANALYSIS CONTAINING PRIMARY AND SECONDARY HEALTH DATA SOURCES THE REPORT CONTAINS A HEALTH STATUS PROFILE FOR THE STATE AS A WHOLE AND FOR EACH OF MAINE'S SIXTEEN COUNTIES THE PRIMARY DATA SOURCE WAS A RANDOMIZED TELEPHONE SURVEY, THE SAMPLING METHODOLOGY WAS DESIGNED TO PERMIT COMPARISONS AT THE COUNTY LEVEL SECONDARY DATA SOURCES INCLUDE NUMEROUS STATE AND FEDERAL SOURCES THIS REPORT PROVIDES BASELINE DATA ON HUNDREDS OF HEALTH INDICATORS THAT ARE RELEVANT TO HOSPITALS AND COMMUNITIES TO INFORM PLANNING AND EVALUATION ACTIVITIES PLANS CALL FOR THE COMMUNITY HEALTH NEEDS ASSESSMENT TO BE REPLICATED EVERY FIVE YEARS MAINEHEALTH WILL HOLD COMMUNITY FORUMS IN PARTNERSHIP WITH EACH MEMBER AND AFFILIATE HOSPITAL IN ORDER TO INCREASE UNDERSTANDING AND USE OF THE COMMUNITY HEALTH NEEDS ASSESSMENT AND TO INFORM IDENTIFICATION AND ACTION ON LOCAL, COMMUNITY-BASED HEALTH PRIORITIES

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

PATIENTS AND OTHER PERSONS WHO ARE BILLED FOR PATIENT CARE ARE INFORMED ABOUT ELIGIBILITY CRITERIA FOR FREE CARE, GOVERNMENTAL ASSISTANCE (I E MEDICAID) AND OTHER ASSISTANCE PROGRAMS SUCH NOTIFICATION IS ACCOMPLISHED IN THE FOLLOWING WAYS ALL SELF-PAY PATIENTS ARE PROVIDED A PACKET THAT DESCRIBES AVAILABLE PROGRAMS, ELIGIBILITY AND THE APPLICATION PROCESS, NOTIFICATIONS ARE POSTED AT NUMEROUS LOCATIONS THROUGHOUT THE HOSPITAL IN PATIENT CARE AREAS, AS WELL AS THE HOSPITAL ENTRANCE, INPATIENTS WITHOUT INSURANCE RECEIVE FINANCIAL COUNSELING AT WHICH TIME FINANCIAL ASSISTANCE OPPORTUNITIES ARE DISCUSSED, HOSPITAL STAFF WILL ASSIST PATIENTS IN THE APPLICATION PROCESS, PATIENT BILLS AND STATEMENTS PROVIDE A TELEPHONE NUMBER TO CALL FOR INFORMATION ABOUT FINANCIAL ASSISTANCE PROGRAMS AND HELP IN QUALIFYING FOR THEM

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

OUR SERVICE AREA IS LINCOLN COUNTY, MAINE, WHICH WAS INCORPORATED JUNE 19, 1760 LINCOLN COUNTY CONTAINS 457 SQUARE MILES OF LAND, 451 MILES OF COASTLINE, AND SIX RIVERS MARINE INTERESTS SUCH AS COMMERCIAL FISHING, LOBSTERING, CLAMMING, EELING, BOAT BUILDING ALONG WITH FORESTRY AND AGRICULTURE CONSTITUTED THE MAJORITY OF OUR EARLY ECONOMIC BASE IN MORE RECENT TIMES, SERVICE INDUSTRIES AND TOURISM ALSO SERVE AS OUR ECONOMIC BASE ACCORDING TO 2006-2008 AMERICAN COMMUNITY SURVEY OF THE U S CENSUS BUREAU, LINCOLN COUNTY HAS A TOTAL POPULATION OF 34,730 THIS POPULATION ALMOST DOUBLES IN THE SUMMER, AS WE ARE A VERY BUSY TOURIST DESTINATION ON THE COAST TEN PERCENT OF OUR RESIDENTS ARE BELOW THE POVERTY LEVEL MAINE HAS THE THIRD HIGHEST PERCENTAGE OF RESIDENTS OVER 65, 15.6% VERSUS 12.9% NATIONALLY WITHIN MAINE, LINCOLN COUNTY HAS THE HIGHEST PERCENTAGE OF RESIDENTS OVER 65 - 20.0% LINCOLN COUNTY ALSO HAS A HIGHER MEDIAN AGE (45.6 VS 36.7) THAN IN THE UNITED STATES AS COMPARED TO THE UNITED STATES (65.2%), A SMALLER PERCENT OF RESIDENTS AT LEAST 16 YEARS OF AGE ARE IN THE LABOR FORCE (64.2%) ADDITIONALLY, THOUGH NEARLY ALL OF LINCOLN COUNTY RESIDENTS ARE WHITE (98.1%), WE ARE AN ECONOMICALLY POOR COUNTY THE U S DEPARTMENT OF LABOR REPORTS THAT THE WEEKLY WAGE IN LINCOLN COUNTY DURING THE THIRD QUARTER OF 2009 WAS ONLY 542 AS COMPARED TO THE AVERAGE WEEKLY WAGE OF 840 IN THE UNITED STATES IN FACT, LINCOLN COUNTY HAS THE SECOND LOWEST WEEKLY WAGE OF ALL COUNTIES IN MAINE THESE POPULATION AND ECONOMIC DATA POINT OUT THE DEPENDENCE OF MILES MEMORIAL HOSPITAL ON MEDICARE AND MEDICAID AND EXPLAIN THE LARGE AMOUNT OF UNCOMPENSATED CARE PROVIDED ST ANDREWS HOSPITAL IS A CRITICAL ACCESS HOSPITAL LOCATED IN BOOTHBAY HARBOR IT IS THE ONLY OTHER HOSPITAL IN LINCOLN COUNTY THE PROVISION OF CARE TO LINCOLN COUNTY RESIDENTS IS COORDINATED BETWEEN MILES AND ST ANDREWS AND THEY SHARE COMMON GOVERNANCE, MANAGEMENT AND ADMINISTRATIVE SERVICES IN AN EFFORT TO CONTROL COSTS PORTIONS OF LINCOLN COUNTY HAVE BEEN DESIGNATED AS MEDICALLY UNDERSERVED

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

THE TAX EXEMPT PURPOSE OF THE ORGANIZATION TO IMPROVE THE HEALTH OF THE COMMUNITY IS PROMOTED AND ENHANCED IN THE FOLLOWING WAYS THE MAJORITY OF THE GOVERNING BODY IS COMPOSED OF PERSONS LIVING WITHIN THE HOSPITAL SERVICE AREA THAT ARE NEITHER EMPLOYED BY NOR HAVE CONTRACTUAL RELATIONSHIPS WITH, THE HOSPITAL OR ITS AFFILIATES MEDICAL STAFF PRIVILEGES ARE AVAILABLE TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY SOLICITATION OF COMMUNITY INPUT IN THE STRATEGIC PLANNING PROCESS COMMON GOVERNANCE OF THE HOSPITALS, LONG-TERM CARE, HOME HEALTH, HOSPICE AND PHYSICIAN SERVICES PROVIDED IN THE COUNTY TO PROMOTE COMMON HEALTH CARE AND IMPROVEMENT PLANNING AND CONTROL COSTS VOLUNTARY CAP ON INCOME FROM OPERATIONS TO RESTRAIN PRICES AND TO FUND HEALTH CARE AND HEALTH IMPROVEMENT ACTIVITIES SURPLUS FUNDS ARE REINVESTED IN CAPITAL EQUIPMENT AND IMPROVEMENTS TO ENSURE HIGH QUALITY CARE EACH YEAR A PORTION OF RETAINED EARNINGS ARE DISTRIBUTED TO OUR PARENT, MAINEHEALTH, FOR THE SPECIFIC PURPOSE OF HEALTH STATUS IMPROVEMENT PROGRAMS THROUGHOUT THE MAINEHEALTH SERVICE AREA

Form 990 Schedule H, Part VI - Supplemental Information, Line 7

THE HOSPITAL IS PART OF LINCOLN COUNTY HEALTH CARE, INC WHICH INCLUDES THE FOLLOWING SERVICES PROVIDED IN LINCOLN COUNTY A CRITICAL ACCESS HOSPITAL, A SOLE COMMUNITY PROVIDER HOSPITAL, TWO NURSING FACILITIES, TWO ASSISTED LIVING FACILITIES, TWO DEMENTIA CARE FACILITIES, RURAL HEALTH CLINICS AT SEVERAL SITES, GENERAL SURGERY PRACTICE, ORTHOPEDIC SURGERY PRACTICE, OB/GYN PHYSICIAN PRACTICE, PEDIATRICS, HOME HEALTH CARE AND HOSPICE LINCOLN COUNTY HEALTH CARE (LCHC), IN TURN, IS PART OF THE MAINEHEALTH SYSTEM THE ABILITY TO IMPROVE HEALTH CARE AND THE HEALTH STATUS IN LINCOLN COUNTY IS ENHANCED BY THE COMMON GOVERNANCE, MANAGEMENT AND ADMINISTRATION OF THESE DIVERSE HEALTH CARE SERVICES THE SYSTEM'S COORDINATED APPROACH THE FOLLOWING ENHANCES THE RESOURCES THAT CAN BE ALLOCATED TO DIRECT PATIENT CARE AND HEALTH STATUS IMPROVEMENT ACCOUNTING, ANALYSIS AND BUDGETING, PATIENT BILLING, MEDICAL RECORDS, SUPPLY CHAIN MANAGEMENT/PURCHASING, HUMAN RESOURCES, INFORMATION SERVICES, MEDICAL STAFF, EDUCATION (COMMUNITY & STAFF), SHARED CLINICAL DEPARTMENT MANAGEMENT (HOSPITALS) THE SYSTEM APPROACH PROVIDES A MORE "HOLISTIC" APPROACH TO COMMUNITY NEEDS ASSESSMENT AND TO THE IMPLEMENTATION OF PROGRAMS TO IMPROVE COMMUNITY HEALTH STRATEGIC PLANNING AND BUDGETING CAN BETTER ALLOCATE RESOURCES ACROSS THE SPECTRUM OF CARE TO ACHIEVE BETTER OVERALL OUTCOMES MAINEHEALTH IS A NOT-FOR-PROFIT FAMILY OF LEADING HIGH-QUALITY PROVIDERS AND OTHER HEALTHCARE ORGANIZATIONS WORKING TOGETHER SO THEIR COMMUNITIES ARE THE HEALTHIEST IN AMERICA RANKED AMONG THE NATIONS TOP 100 INTEGRATED HEALTHCARE DELIVERY NETWORKS, MAINEHEALTH IS GOVERNED BY A BOARD OF TRUSTEES CONSISTING OF COMMUNITY AND BUSINESS LEADERS FROM ITS SOUTHERN, CENTRAL AND WESTERN MAINE REGIONAL SERVICE AREA THE COLLABORATION OF MAINEHEALTH MEMBERS MAKES IT POSSIBLE TO OFFER AN EXTENSIVE RANGE OF CLINICAL INTEGRATION AND COMMUNITY HEALTH PROGRAMS, MANY AIMED AT IMPROVING ACCESS TO PREVENTIVE AND PRIMARY CARE SERVICES MAINEHEALTH INCLUDES THE FOLLOWING MEMBER ORGANIZATIONS LINCOLN COUNTY HEALTH CARE (MILES MEMORIAL HOSPITAL AND ST ANDREWS HOSPITAL), MAINE MEDICAL CENTER, MAINE MENTAL HEALTH PARTNERS (SPRING HARBOR HOSPITAL), PEN BAY HEALTHCARE (PEN BAY MEDICAL CENTER), SOUTHERN MAINE MEDICAL CENTER, WALDO COUNTY HEALTHCARE (WALDO COUNTY GENERAL HOSPITAL), WESTERN MAINE HEALTH (STEPHENS MEMORIAL HOSPITAL), HOMEHEALTH VISITING NURSES, MAINE PHYSICIAN HOSPITAL ORGANIZATION, NORDX, AND SYNERNET AFFILIATES OF MAINEHEALTH INCLUDE MAINEGENERAL MEDICAL CENTER, MID COASTHOSPITAL, NEW ENGLAND REHABILITATION HOSPITAL, AND ST MARY'S REGIONAL MEDICAL CENTER

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
MILES MEMORIAL HOSPITAL

Employer identification number

01-0211796

Part I Questions Regarding Compensation

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items
- | | |
|---|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax idemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) |

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

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

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

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

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

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

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

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

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

a The organization?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

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

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

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

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
MARK FOURRE MD	(i) (ii)	260,195			7,963	15,373	283,531	
ROBERT MCARTOR MD	(i) (ii)	151,411		23,659	3,591	22,144	200,805	
DANIEL FRIEDLAND MD	(i) (ii)	157,144			5,360	12,709	175,213	
STEVEN FEDER DO	(i) (ii)	1,200 150,065			4,740	2,683	1,200 157,488	
JAMES DONOVAN	(i) (ii)	223,039	40,000	10,000	7,963	14,579	295,581	
WAYNE PRINTY	(i) (ii)	167,272		12,757	5,599	13,619	199,247	
CYNTHIA LEAVITT	(i) (ii)	149,042		17,306	4,971	13,284	184,603	
STEVEN COOK MD	(i) (ii)	274,915			7,963	10,456	293,334	

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
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SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.**

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization
MILES MEMORIAL HOSPITAL

Employer identification number

01-0211796

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990 - ORGANIZATION'S MISSION	MILES MEMORIAL HOSPITAL IS DEDICATED TO MAINTAINING AND IMPROVING THE HEALTH OF OUR COMMUNITIES BY ASSURING THE VERY BEST, HIGHEST QUALITY, AND COMPASSIONATE HEALTH CARE SERVICES FROM HIGHLY TRAINED PROFESSIONALS, OUR SERVICES ARE COST-EFFECTIVE AND ACCESSIBLE TO ALL REGARDLESS OF THEIR ABILITY TO PAY, AS A NOT-FOR-PROFIT, CHARITABLE ORGANIZATIONS, WE WILL BE TRUSTWORTHY STEWARDS OF OUR RESOURCES, OUR ACTIVE PARTICIPATION AND SUPPORT OF THE MAINEHEALTH FAMILY

Identifier	Return Reference	Explanation
CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PAGE 6, PART VI, LINE 6	LINCOLN COUNTY HEALTHCARE, INC (LCHC) IS THE SOLE MEMBER OF MILES MEMORIAL HOSPITAL MAINEHEALTH (EIN 01-0431680), AS THE SOLE MEMBER OF LCHC HAS THE RIGHT TO APPROVE SIGNIFICANT DECISIONS OF THE GOVERNING BODY OF LCHC AND ITS SUBSIDIARIES

Identifier	Return Reference	Explanation
ELECTION OF MEMBERS AND THEIR RIGHTS	FORM 990, PAGE 6, PART VI, LINE 7A	THE MEMBER ELECTS THE BOARD OF TRUSTEES ALL OFFICERS OF THE BOARD OF TRUSTEES ARE ELECTED BY THE BOARD, AND EACH MUST BE A TRUSTEE OFFICERS OF THE CORPORATION ARE ELECTED ANNUALLY BY THE BOARD

Identifier	Return Reference	Explanation
DECISIONS SUBJECT TO APPROVAL OF MEMBERS	FORM 990, PAGE 6, PART VI, LINE 7B	DECISIONS OF THE GOVERNING BODY SUCH AS BUDGETS, BUSINESS STRATEGIES, SIGNIFICANT FINANCIAL COMMITMENTS, AMENDMENTS TO THE ARTICLES OF INCORPORATION, AND ELECTION OF THE CEO AMONG OTHER DECISIONS, ARE SUBJECT TO APPROVAL BY LINCOLN COUNTY HEALTHCARE, INC AND MAINEHEALTH

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11	EDUCATION WAS PROVIDED TO THE FINANCE COMMITTEE CONCERNING THE REVISED IRS FORM 990 THE FINANCE COMMITTEE PERFORMS A DETAILED REVIEW OF THE FORM 990 THE FORM 990 IS THEN MADE AVAILABLE TO THE FULL BOARD THE CHIEF FINANCIAL OFFICER ALSO PERFORMS A DETAILED REVIEW OF THE ENTIRE FORM 990 BEFORE SIGNING AND PRIOR TO FILING

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	ANY DUALITY OF INTEREST OR POSSIBLE CONFLICT OF INTEREST ON THE PART OF A TRUSTEE, PHYSICIAN, OFFICER OR MANAGER (E G , A MEMBER OF LINCOLN COUNTY HEALTHCARE LEADERSHIP TEAM, DIRECTOR, MANAGER OR PERSON RESPONSIBLE FOR PURCHASING) MUST BE DISCLOSED TO THE APPLICABLE BOARD, BOARD COMMITTEE OR, IN THE CASE OF AN ADMINISTRATIVE DECISION THAT IS NOT SUBJECT TO BOARD OR COMMITTEE APPROVAL, TO THE MANAGER'S IMMEDIATE SUPERVISOR SUCH DISCLOSURES SHALL BE MADE A MATTER OF RECORD DISCLOSURE WILL BE MADE AT THE TIME OF INITIAL AFFILIATION WITH LINCOLN COUNTY HEALTHCARE, ANNUALLY AND WHEN THE INTEREST BECOMES A MATTER FOR BOARD OR COMMITTEE ACTION OR ADMINISTRATIVE DECISION DISCLOSURE FORMS SHALL BE COMPLETED ANNUALLY BY TRUSTEES AND OFFICERS AT THE TIME OF THE ANNUAL MEETING, AND ANNUALLY BY VICE PRESIDENTS, DIRECTORS, AND MANAGERS IN CONJUNCTION WITH THEIR ANNUAL PERFORMANCE REVIEW

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	<p>IN CONSULTATION WITH TOWERS PERRIN, THE MAINEHEALTH BOARD COMPENSATION COMMITTEE ESTABLISHES APPROPRIATE COMPENSATION PARAMETERS FOR EACH MEMBER ORGANIZATIONS CEO AND CERTAIN MEMBERS OF THEIR SENIOR MANAGEMENT TEAM WORKING WITHIN THOSE PARAMETERS, THE LCHC 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 THE 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 ORGANIZATIONS 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 LCHCS REVENUES OR OTHER SIMILAR PROFIT-SHARING STRATEGIES</p>

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	IN CONSULTATION WITH TOWERS PERRIN, THE MAINEHEALTH BOARD COMPENSATION COMMITTEE ESTABLISHES APPROPRIATE COMPENSATION PARAMETERS FOR EACH MEMBER ORGANIZATIONS CEO AND CERTAIN MEMBERS OF THEIR SENIOR MANAGEMENT TEAM WORKING WITHIN THOSE PARAMETERS, THE LCHC 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 THE 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 ORGANIZATIONS 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 LCHCS REVENUES OR OTHER SIMILAR PROFIT-SHARING STRATEGIES

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	DOCUMENTS THAT ARE REQUIRED TO BE OPEN FOR PUBLIC INSPECTION ARE MADE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
ADDITIONAL INFORMATION	SCHEDULE O	FORM 990, PART XI, FINANCIAL STATEMENTS AND REPORTING, LINE 2B THE ORGANIZATION'S CONSOLIDATED FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTANT THE CONSOLIDATED FINANCIAL STATEMENTS INCLUDE THE ACCOUNTS OF THE ORGANIZATION AND ITS SUBSIDIARIES FORM 990, SCHEDULE R, PART II, COLUMN D, EXEMPT CODE SECTION - EXEMPT STATUS APPLICATION IS IN PROCESS FOR LINCOLN COUNTY MEDICAL GROUP

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2009

**Open to Public
Inspection**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization
MILES MEMORIAL HOSPITAL

Employer identification number
01-0211796

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
LINCOLN COUNTY MEDICAL GROUP 6 ST ANDREWS LANE BOOTHBAY HARBOR, ME 04538 26-3878235	PHYS SVC	ME	501	3	NA
LINCOLN COUNTY HEALTH CARE INC 6 ST ANDREWS LANE BOOTHBAY HARBOR, ME 04538 26-1475629	HEALTH SVC	ME	501	11C	NA
COVES EDGE INC 26 SCHOONER STREET DAMARISCOTTA, ME 04543 01-0382340	LT CARE SV	ME	501	3	NA
ST ANDREWS HOSPITAL 6 ST ANDREWS LANE BOOTHBAY HARBOR, ME 04538 01-0153960	HOSPITAL	ME	501	3	NA
MAINEHEALTH 465 CONGRESS STREET SUITE 600 PORTLAND, ME 04102 01-0431680	HEALTHCARE	ME	501	11C	NA

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

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

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)

- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)

- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees

- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses

- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e		No
1f		No
1g	Yes	
1h	Yes	
1i	Yes	
1j	Yes	
1k		No
1l	Yes	
1m	Yes	
1n	Yes	
1o	Yes	
1p	Yes	
1q	Yes	
1r	Yes	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Lincoln County Health Care, Inc. – FY10 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. is the parent company for Miles Memorial Hospital, Inc., St. Andrews Hospital and Healthcare Center, Cove's Edge, Inc., and Lincoln County Medical Group, Inc.

In the Damariscotta Region: Miles Memorial Hospital, a 38-bed community hospital; Miles & St. Andrews Home Health & Hospice; Lincoln County 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; Miles & St. Andrews Home Health & Hospice; Lincoln County Medical Group, an employer of physicians and mid-level staff providing those professions to the physician practices of St. Andrews Hospital; and the John F. Andrews Family Care Center, a multi-specialty medical arts facility.

Our hospitals provide a broad array of primary health care services to our region including: emergency medicine, acute and rehabilitative 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 obstetrics care.

Lincoln County Health Care'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 Health Care 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 Lincoln County Health Care, Inc.'s 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 Health Care and its subsidiaries also participate in various initiatives to help support and provide updates to community needs assessment planning. Some of these initiatives include:

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

Along with the internal assessments, most member organizations also review and act on many of the recommendations provided by external groups such as the Maine Center for Disease Control and Prevention and the "State Health Plan" created by the Advisory Committee for Health Systems Development.

In addition, MaineHealth and its partners in the OneMaine Health Collaborative, Eastern Maine Health System and MaineGeneral Health, released the OneMaine Health Community Health Needs Assessment Report in March 2011. The report is a comprehensive compilation and analysis containing primary and secondary health data sources. The report contains a Health Status Profile for the state as a whole and for each of Maine's sixteen counties. The primary data source was a randomized telephone survey; the sampling methodology was designed to permit comparisons at the county level. Secondary data sources include numerous state and federal sources. This report provides baseline data on hundreds of health indicators that are relevant to hospitals and communities to inform planning and evaluation activities. Plans call for the Community Health Needs Assessment to be replicated every five years. MaineHealth will hold community forums in partnership with each member and affiliate hospital in order to increase understanding and use of the Community Health Needs Assessment and to inform identification and action on local, community-based health priorities.

IV. Subsidized Lincoln County Health Care Community Programs and Other Support *

Community Health Improvement Services and Community Benefit Operations

Free Bi-Weekly Grief Support Group - provided to anyone in the community who has suffered a recent loss

Hospice Community Education - five presentations by Dr. Robert Hunold at no cost

Childbirth Classes – these are 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

Monthly Alzheimer's Support Group - provided for free to the community
Provide class space for Emergency Medical Technician Training (no charge)
Provide class space for Senior College at Chase Point (no charge)
Catering for Veterans at Chase Point (no charge)
Free Consultation with a Senior Service Specialist (published phone numbers) - to assist with understanding the myriad of services available to seniors
Provide C.P.R. courses – offered to local nonprofit agencies at a minimal cost
Provide Infant and Child CPR classes - including course materials for parents and family members at no charge
Miles Memorial Hospital Emergency Department – used as a clinical site for nursing students and
Emergency Medical Technician Training
American Red Cross Babysitting Course - provide babysitting skills course to children 11 years and older to provide safe babysitting care.
Hospice Volunteer Training - seminars offered in the spring and fall (40 hour course) free of charge
Weekly Telephone Grief and Support Service - provided through Miles & St. Andrews Home Health & Hospice
Miles Memorial Hospital Laboratory provides clinical training to EMTs
Memory Screenings - held annually in conjunction with the Alzheimer's Foundation of America
Seasonal Flu Vaccination - offered at no charge to EMS and first responders
Pharmacy Re-Stocks Ambulance Boxes (no charge)
Matter of Balance - a fall prevention program targeted to seniors hosted by St. Andrews Village in partnership with the Boothbay YMCA
Pre-Diabetes Classes - offered to community organizations at no cost
Community Sharps Disposal Program - offered 4 times/year at no cost
Blood Pressure Screenings
Nutritional Counseling Services
Women's Center "Centering OB" - medical nutrition for pregnant patients
YMCA Biggest Loser Program: Nutrition Discussion and Education - balanced meals and caloric intake
Chase Point CNA Training
Wiscasset Community Center Menus - menu review for nutritional balance and specified diets
Spectrum Generations - presentations and various educational programs

Health Professions Education

Internships – Lincoln County Health Care provides internship opportunities for nursing, social services, pharmacy and medical students who are completing their rural rotations
ACLS classes - in addition to being offered to staff, this course is offered to ambulance service providers in the area and any health care provider not affiliated to MMH or SAH
Compassionate Companion training program - offered to community members
CNA Training – provided three 12-week CNA classes at no charge to students
Diagnostic Imaging Career Prep Presentations at Boothbay Regional High School
Career Prep Presentations and Wellness Fairs at Boothbay Regional High School
ED Training for EMS personnel – 4 reviews and in-services in trauma care for 20 E.M.S. personnel (EMS EKG course for 12 students)
LCH Professional Development Program – provided scholarships and continuing education opportunities to its employees and members of the community
Nursing School Clinical Placements – provide 9 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 middle/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 and area group homes/assisted living facilities

Lincoln County Healthcare Education Center - 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. 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 RN. 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 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 three full scholarships to the school.

Subsidized Health Services

Lincoln Academy School-Based Health Clinic - Lincoln County Medical Group provides a mid-level clinician for the clinic at no charge (Miles provides medical supplies at no charge)

Mammography Clinic - offered once a year at a subsidized fee

Breast Health Case Management - these services are offered free of charge

Hepatitis B vaccination program, TB Testing, and blood-borne pathogen and exposure testing - for health care volunteers at no charge

CarePartners Program - administered through Lincoln County Healthcare at no cost. This program provides free medical care and medications to qualified candidates. The program administered and coordinated donated medical services.

Free Peri-operative classes - for hip and knee replacement patients

Hepatitis B vaccination program - offered to Lincoln Home employees

Maine Breast and Cervical Health Program - reduced fees services for women

Foot Clinics - offered weekly in Damariscotta and Wiscasset for a subsidized fee

Boothbay High School-Based Health Clinic - Lincoln Medical Partners provides a program manager and administrative oversight at no charge. The Medical Director is provided at a reduced rate.

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.

Cash and In-Kind Contributions to Community Groups

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) - LCH is a Corporate Sponsor of the programs "Strawberry Shuffle" fundraiser
Salvation Army, Holiday Wish Tags in Lincoln County - provided volunteers and leadership to collect toys/gifts throughout Lincoln County Healthcare for area needy families
Nursing Scholarships - provides scholarships to nursing students of the CMCC program in Lincoln County
Support of the Boothbay Region Ambulance Service - providing the Medical Director and supplies
Donation of medical supplies for local and overseas missions
United Way Campaign

Community Building Activities

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, and failure to participate results in a loss of benefits to the family. Parents are placed as volunteers for 30 hours a week at Miles.

Participate and support disaster preparedness in the community - providing 2 employees quarterly to represent hospitals in disaster support and training

Remembrance Gathering - memorial service sponsored by MSAHHH

Meals On Wheels

Lincoln County Abuse Task Force - a partnership with community groups/individuals to address any type of abuse

Domestic Abuse Prevention Council – a partnership with community groups/individuals to address domestic violence

Boothbay Region Land Trust - St. Andrews Hospital is a grantee providing approximately 25 acres of land set aside for nature trails and land preservation

Lay Pastoral Care Training - this program trains individuals to be volunteer chaplains (who then visit patients and residents throughout our system)

Lincoln County Healthy Maine Partnership - as a co-sponsor for this organization. Lincoln County Healthcare co-develops, provides funding and staffing, and implements a winter community health event each year. Lincoln County Healthcare staff participates on their Advisory Group and on various committees.

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

Annual Financial Support to Lifeflight Foundation Capital Campaign

Lincoln County Health Care's Aggregate "Net Community Benefit Investment" = \$ 3,475,879

* 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

AMI/PERFUSE Program – The AMI/PERFUSE program helps caregivers provide the highest quality care and achieve the best possible outcomes for patients who experience an acute myocardial infarction – regardless of the patient’s point of entry into the MaineHealth system. A network of providers ensures that heart attack patients receive timely, evidence-based treatment.

Asthma and Chronic Obstructive Pulmonary Disease – AH! Asthma and COPD programs work to adopt quality measures that reflect evidence-based guidelines. The programs provide training and education about lung health treatment, medications and devices. The development of patient and provider education material is a key component of program efforts.

Diabetes – The TARGET Diabetes Program helps improve care and outcomes for people with Type 1 and Type 2 diabetes and increases awareness of diabetes. The program encourages the adoption of quality measures that reflect evidence-based guidelines. The development of patient and provider education material is a key component of program efforts.

Emergency Medicine – The Emergency Medicine Program improves the quality of care received by patients in the emergency departments of MaineHealth member and affiliate hospitals. The program works to streamline processes and to effectively meet the acute medical needs of patients in the ED. Program staff provide training to emergency medical personnel and work with ambulance services to inform the care provided before patients arrive at the hospital.

Heart Failure – The Heart Failure Program improves health outcomes for patients with heart failure by promoting best practices in care at MaineHealth hospitals and across all care settings. The program supports a comprehensive, integrated approach for patients and their families as they move from one care environment to another.

Infection Prevention – The Infection Prevention Program works to reduce infection rates, improve outcomes for patients and decrease preventable hospitalizations across the MaineHealth system. The program aims to reduce hospital-acquired infections through improved hand hygiene compliance.

Mental Health Integration – The Mental Health Integration Program works to improve patient care by bringing mental health clinicians into medical settings, and by improving the collaboration between medical and mental health providers. The goal of the program is to help people get effective and efficient care for mental and behavioral health problems.

Oncology - The Oncology Program promotes high quality oncologic care across the system, ensuring easy access and effective transitions among specialists and locations. The program provides screening and treatment guidelines to clinicians, provides patient education materials to patients, improves awareness of clinical trials, improves access to genetic services and improves the overall delivery of cancer care.

Palliative Care - The Palliative Care Program promotes palliative care across the system. The initiative includes clinician education about palliative care including identification of patients who may benefit from palliative care, provision of palliative services for complex medical conditions, addressing ethical issues and engaging patients in discussing goals of care. The program promotes the use of Physician Orders for Life Sustaining Treatment (POLST) within each MH institution as well as community based advance directive/care planning.

Pharmacy and Therapeutics - The Pharmacy and Therapeutics Program works to improve outcomes of patients in the MaineHealth system by reducing variations in care and promoting best practices. The program seeks to coordinate purchasing and performance initiatives in MaineHealth hospitals.

Pre-Hospital Care/Emergency Medical Services - The program works with hospital emergency medical service medical directors to support obligations in education, quality management and case follow-up. The program also works to standardize the quality improvement process of difficult calls and procedures and to provide education opportunities and credits for emergency medical technicians to maintain licensure.

Preventive Health - The Preventive Health Program works to deliver consistent, high-quality, preventive healthcare across the MaineHealth region for adults and children by providing best-practice, evidence-based tools and support to primary care practice teams. The purpose is to provide a preventive health focus for patients and providers that helps to reduce the prevalence and severity of chronic disease

Stroke - The goal of the Stroke Program is to improve care for stroke patients who arrive at MaineHealth member and affiliate hospitals within three hours of symptom onset. The program aims to standardize stroke care across the continuum of providers within the MaineHealth system by using evidence-based guidelines to improve outcomes for stroke patients.

Telehealth - The Telehealth Program works to improve the health status of our communities by integrating, advancing and optimizing the use of telehealth technologies. Current telehealth technologies include connections between hospitals, such as bringing specialists to rural areas, connecting providers to patients' homes and remote monitoring of patients in critical care units in most MaineHealth hospitals.

Transitions of Care - The Transitions of Care Program works to ensure that patients receive excellent care throughout the transition from hospital to home and to community-based providers. The program works to improve patient outcomes and reduce unnecessary readmissions by supporting best practices for provider follow-up visits, coordinating medications, patient and family education, and enhancing the communications critical for excellent care once the patient leaves the hospital.

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 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. MaineHealth also has made significant financial contributions to the Maine Youth Overweight Collaborative.

Child Health Program - The Child Health program is focused on increasing rates of child immunizations within the MaineHealth system and statewide through clinical, community and policy interventions. The program's vision is to create an effective, outcomes-based strategy that engages health professionals and provider organizations, community partners, family members, and local and state government, resulting in Maine being ranked number one in New England for child immunizations by 2016. Amid evidence of increased vaccine refusal and delay in our communities, MaineHealth's financial support for this program underscores the importance

of vaccinations as the most cost-effective health prevention activity for children and one of society's greatest public health achievements.

Community Education Programs

MaineHealth Learning Resource Centers – With four locations in Maine, 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, Lincoln, and Waldo 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 provided access to approximately \$3.2 million of free medications in FY10. 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), local low-cost generic programs, and other state and federal programs either in-person or through a toll-free number.

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 Health Care 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 sufficient resources to pay for the services they received.

VI. Charity Care Policies

Charity Care

Lincoln County Health Care'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 are fully informed and educated about all financial assistance policies. These staff members identify unpaid bills where persons are unable to pay, and separates these potential "charity care" bills from other bad debt accounts.

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 – \$18,953	up to \$21,660	up to \$24,368
2	0 - \$25,498	up to \$29,140	up to \$32,783
3	0 - \$32,043	up to \$36,630	up to \$41,198
4	0 - \$38,588	up to \$44,100	up to \$49,613
5	0 - \$45,133	up to \$51,580	up to \$58,028
6	0 - \$51,678	up to \$59,060	up to \$66,443
7	0 - \$58,223	up to \$66,540	up to \$74,858
8	0 - \$64,768	up to \$74,020	up to \$83,273

VII. Good Governance and Executive Compensation Policies

Good Governance

LCH has a Board of 21 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 and Executive Officers 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 LCH’s 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

LCH has a formal written compensation policy in place. In consultation with Sullivan Cotter and Associates, the MaineHealth Board’s 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 Health Care's Community Benefit Summary **

1. Charity care (at cost)	\$ <u>2,143,223</u>
2. Bad debt (at cost)	\$ <u>1,474,344</u>
3. Government-sponsored health care (shortfall) - Unpaid cost of Medicare, MaineCare, and other hospital-specific indigent care programs	\$ <u>6,874,357</u>
4. Net Community Benefit Investment Programs (net expense), e.g.	\$ <u>3,475,879</u>

<i>Total Value of Quantifiable Benefits Provided to the Community</i>	\$ <u>13,967,803</u>
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** Form created based on AHA guidelines

Additional Data

Software ID:
Software Version:
EIN: 01-0211796
Name: MILES MEMORIAL HOSPITAL

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MARK FOURRE MD TRUSTEE	2 00	X					0	260,195	23,336	
ROBERT MCARTOR MD TRUSTEE	2 00	X					0	175,070	25,735	
DANIEL FRIEDLAND MD TRUSTEE	2 00	X					0	157,144	18,069	
STEVEN FEDER DO TRUSTEE	2 00	X					1,200	150,065	7,423	
ALAN BARKER MD TRUSTEE	2 00	X					0	133,340	6,747	
NORMAN HOCHGRAF TRUSTEE	2 00	X					0	0	0	
PHILIP LATHROP CHAIR	2 00	X		X			0	0	0	
PATRICK LYDON TRUSTEE	2 00	X					0	0	0	
BARBARA MITCHELL TRUSTEE	2 00	X					0	0	0	
JOHN PEACOCK TRUSTEE	2 00	X					0	0	0	
DANIEL PYKETT SECRETARY	2 00	X		X			0	0	0	
PETER MUNDY VICE CHAIR	2 00	X		X			0	0	0	
ROBERT CONN TREASURER	2 00	X		X			0	0	0	
WILLIAM BUTLER TRUSTEE	2 00	X					0	0	0	
JEFFREY CURTIS TRUSTEE	2 00	X					0	0	0	
CATHERINE GREGG TRUSTEE	2 00	X					0	0	0	
JAMES HUNT TRUSTEE	2 00	X					0	0	0	
JANE HURD TRUSTEE	2 00	X					0	0	0	
JANE G SMITH TRUSTEE	2 00	X					0	0	0	
REV DR MARY JO ZIMMERLI TRUSTEE	2 00	X					0	0	0	
DAVID TRAHAN TRUSTEE	2 00	X					0	0	0	
JAMES DONOVAN PRES/CEO	15 00			X			0	273,039	22,542	
WAYNE PRINTY CFO	15 00			X			0	180,029	19,218	
CYNTHIA LEAVITT VP PAT CARE	50 00				X		166,348	0	18,255	
THOMAS RODRIGUES PHARMACIST	50 00				X		124,475	11,769	0	

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
KAREN PHILBRICK PHARMACY DIR	50 00					X		117,124	12,566	0
BRENT PETERS PHARMACIST	50 00					X		105,152	16,046	0
STEVEN COOK MD TRUSTEE							X	0	274,915	18,419

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
BAD DEBTS	2,161,820	2,161,820		
STATE TAXES	1,150,470	1,150,470		
MISCELLANEOUS	418,709	363,916	54,793	
FOOD COSTS	285,300	280,250	5,050	
DUES & SUBSCRIPTIONS	99,134	13,701	85,433	