

2011

Open to Public Inspection

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.

Department of the Treasury Internal Revenue Service

A For the 2011 calendar year, or tax year beginning 10/01, 2011, and ending 9/30, 2012

B Check if applicable: Address change, Name change, Initial return, Terminated, Amended return, Application pending. C HOULTON REGIONAL HOSPITAL, 20 HARTFORD ST, HOULTON, ME 04730. D Employer Identification Number 23-7134386. E Telephone number (207) 532-2900.

F Name and address of principal officer: THOMAS MOAKLER, SAME AS C ABOVE. H(a) Is this a group return for affiliates? Yes No. H(b) Are all affiliates included? Yes No.

I Tax-exempt status: X 501(c)(3), 501(c) () (insert no.) 4947(a)(1) or 527. J Website: HOULTONREGIONAL.ORG. H(c) Group exemption number.

K Form of organization: X Corporation, Trust, Association, Other. L Year of Formation: 1973. M State of legal domicile: ME.

Part I Summary

Table with columns for Activities & Governance, Revenue, Expenses, and Net Assets or Fund Balances. Rows include mission statement, membership numbers, revenue (232,556 vs 96,482), expenses (45,334,897 vs 44,027,511), and net assets (8,478,418 vs 7,423,062).

Part II Signature Block

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

Sign Here: Signature of officer THOMAS MOAKLER, Date 4/30/13, Title CEO.

Paid Preparer Use Only: Print/Type preparer's name Barbara J McGuan CPA, Preparer's signature Barbara J McGuan, Date 04/29/13, Firm's name Berry Dunn McNeil & Parker LLC, Firm's address Portland, ME 04104-1100, Firm's EIN 01-0523282, Phone no. (207) 775-2387.

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III. [X]

1 Briefly describe the organization's mission: SEE SCHEDULE O

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code: [redacted]) (Expenses \$ 35,931,179. including grants of \$ [redacted]) (Revenue \$ 42,135,117.) PROVISION OF HEALTH CARE SERVICES IN RURAL MAINE. DURING THE FISCAL YEAR ENDED 9/30/12, 1,583 PEOPLE HAD AN INPATIENT STAY (INCLUDING THE PROGRESSIVE CARE FACILITY); 84,107 OUTPATIENT SERVICES WERE RENDERED; 11,833 PEOPLE WERE SERVED IN THE EMERGENCY ROOM. OF THESE SERVICES, 1,988 ACCOUNTS (REPRESENTING 378 PEOPLE AND \$1,713,780) WERE WRITTEN OFF AS CHARITY CARE. HOULTON REGIONAL HOSPITAL (HRH) ALSO ASSISTS ELDERLY CITIZENS WITH THEIR WISH TO REMAIN INDEPENDENT AS LONG AS POSSIBLE. TO ACCOMPLISH THIS GOAL, HRH ASSISTS WITH THE RENTAL OF LIFELINE EMERGENCY RESPONSE UNITS. DURING FISCAL YEAR 9/30/12, A DAILY AVERAGE OF 61 LIFELINE UNITS WERE RENTED.

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

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

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

(Expenses \$ [redacted] including grants of \$ [redacted]) (Revenue \$ [redacted])

4e Total program service expenses 35,931,179.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If 'Yes,' complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If 'Yes,' complete Schedule D, Part V	X	
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI	X	
b Did the organization report an amount for investments— other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII		X
c Did the organization report an amount for investments— program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX	X	
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If 'Yes,' complete Schedule D, Part X		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If 'Yes,' complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X
20 a Did the organization operate one or more hospital facilities? If 'Yes,' complete Schedule H	X	
b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	

Part IV Checklist of Required Schedules (continued)

	Yes	No
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>		X
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>		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 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>	X	
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, and that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25.</i>	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
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?		X
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		X
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>		X
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>		X
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>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If 'Yes,' complete Schedule L, Part III.</i>		X
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>	X	
b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>	X	
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV.</i>	X	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i>		X
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>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i>		X
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>		X
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>		X
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>		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		X
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>		X
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>		X
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.	X	

BAA

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V.

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 41		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 0		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. 506		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
3b	If 'Yes,' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O.	X	
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)? If 'Yes,' enter the name of the foreign country: <input type="checkbox"/> See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		X
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
6b	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).			
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If 'Yes,' indicate the number of Forms 8282 filed during the year. 7d		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds 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.			
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10 Section 501(c)(7) organizations. Enter:			
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11 Section 501(c)(12) organizations. Enter:			
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year. 12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14b	If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O.		

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

Check if Schedule O contains a response to any question in this Part VI **X**

Section A. Governing Body and Management

	1a	1b	2	3	4	5	6	7a	7b	8a	8b	9	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	13													
b Enter the number of voting members included in line 1a, above, who are independent		7												
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?														X
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?														X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?														X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?														X
6 Did the organization have members or stockholders?														X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?														X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or other persons other than the governing body?														X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:														
a The governing body?										X				
b Each committee with authority to act on behalf of the governing body?										X				
9 Is there any officer, director or 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.														X

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

	10a	10b	11a	11b	12a	12b	12c	13	14	15a	15b	16a	16b	Yes	No
10a Did the organization have local chapters, branches, or affiliates?															X
b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?															
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?			X												
b Describe in Schedule O the process, if any, used by the organization to review this Form 990. SEE SCHEDULE O															
12a Did the organization have a written conflict of interest policy? If 'No,' go to line 13			X												
b Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?			X												
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done. SEE SCHEDULE O			X												
13 Did the organization have a written whistleblower policy?			X												
14 Did the organization have a written document retention and destruction policy?			X												
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?															
a The organization's CEO, Executive Director, or top management official. SEE SCHEDULE O			X												
b Other officers of key employees of the organization. SEE SCHEDULE O			X												
If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.)															
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?															X
b If 'Yes,' did the organization follow 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

- 17 List the states with which a copy of this Form 990 is required to be filed ► NONE
- 18 Section 6104 requires an organization to make its Forms 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
 - 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 during the tax year. SEE SCHEDULE O
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:
 - CYNTHIA M THOMPSON 20 HARTFORD ST HOULTON ME 04730 (207) 532-2900

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

Check if Schedule O contains a response to any question in this Part VII. X

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

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

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

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

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
SEE SCHEDULE O										
(1) KARL WOODS DMD DIRECTOR	1	X					0.	0.	0.	
(2) JOHN CLARK DIRECTOR	1	X					0.	0.	0.	
(3) LYNETTE MCLAUGHLIN TREASURER	1	X		X			0.	0.	0.	
(4) REV. JESSIE DRYSDALE PRESIDENT	1	X		X			0.	0.	0.	
(5) STEPHEN NELSON SECRETARY	1	X		X			0.	0.	0.	
(6) DOUG HAZLETT DIRECTOR	1	X					0.	0.	0.	
(7) BRIAN GRIFFIN, MD MED STAFF PRES.	40	X					250,206.	0.	16,696.	
(8) ALISON BOSSIE DIRECTOR	1	X					0.	0.	0.	
(9) HASSAN E ABOULEISH, MD VICE PRESIDENT	40	X		X			112,830.	0.	0.	
(10) ROBERT ELLIS, OD DIRECTOR	1	X					0.	0.	0.	
(11) MAX LYNDY DIRECTOR	1	X					0.	0.	0.	
(12) NANCY KETCH DIRECTOR	1	X					0.	0.	0.	
(13) PHILIP MCFARLANE, MD DIRECTOR	40	X					224,018.	0.	12,504.	
(14) JERRY YORK DIRECTOR	1	X					0.	0.	0.	

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Sch O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) CINDY DAIGLE PAST CFO	40			X				114,853.	0.	15,305.
(16) THOMAS MOAKLER CEO	40			X				237,429.	0.	7,903.
(17) CYNTHIA THOMPSON CFO	40			X				74,210.	0.	0.
(18) ROBERT MOSENFELDER, MD OB/GYN PHYSICIAN	40					X		240,008.	0.	12,504.
(19) SANTIAGO DUY SURGEON	40					X		237,838.	0.	17,854.
(20) PAUL M ALEXANDER CRNA	40					X		233,570.	0.	0.
(21) CATHY CHASSE CRNA	40					X		215,167.	0.	6,357.
(22) MICHAEL NORTHWAY CRNA	40					X		214,979.	0.	7,903.
(23)										
(24)										
(25)										
1b Sub-total								2,155,108.	0.	97,026.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								2,155,108.	0.	97,026.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 27

	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>	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If 'Yes' complete Schedule J for such individual.</i>	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If 'Yes,' complete Schedule J for such person.</i>	5	X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
HOULTON INTERNAL MEDICINE, PA 22 HARTFORD ST HOULTON, ME 04730	INTERNAL MEDICINE	1,300,180.
COMPHEALTH ASSOCIATES, INC. PO BOX 972651 DALLAS, TX 75397-2625	LOCUM SERVICES	361,874.
JAMES C MADIX, MD 20 HARTFORD ST HOULTON, ME 04730	RADIOLOGIST	323,810.
VISTA STAFFING SOLUTIONS 675 EAST 2100 SOUTH, SUITE 390 SALT LAKE CI	LOCUM SVCS	317,388.
PHYSICIAN SERVICES INC 126 OSBORNE RD FARMINGTON, ME 04938	HOSPITALIST SVCS	215,750.

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 ▶ 17

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				
	f All other contributions, gifts, grants, and similar amounts not included above.....	1f	96,482.			
	g Noncash contributions included in lns 1a-1f: \$		800.			
h Total. Add lines 1a-1f.....		96,482.				
PROGRAM SERVICE REVENUE	Business Code					
	2a PATIENT FEES		48,979,069.	48,979,069.		
	b MEDICARE & MEDICAID PYMTS		24,557,812.	24,557,812.		
	c VENDING, CAFETERIA, MISC.		845,696.	685,542.	160,154.	
	d CONFERENCE ROOM RENTAL	722320	11,028.		11,028.	
	e					
	f All other program service revenue.....		-32258488.	-32258488.		
g Total. Add lines 2a-2f.....		42,135,117.				
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts).....		145,121.		145,121.	
	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	2,454,843.			
		(ii) Other				
		b Less: cost or other basis and sales expenses.....	2,229,602.			
		c Gain or (loss).....	225,241.			
	d Net gain or (loss).....		225,241.		225,241.	
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						
b						
c						
d All other revenue.....						
e Total. Add lines 11a-11d.....						
12 Total revenue. See instructions.....		42,601,961.	41,963,935.	11,028.	530,516.	

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).

Check if Schedule O contains a response to any question in this Part IX.

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(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 United States. See Part IV, line 21.				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members.				
5 Compensation of current officers, directors, trustees, and key employees.	1,065,954.	616,254.	449,700.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0.	0.	0.	0.
7 Other salaries and wages.	20,489,582.	18,731,581.	1,758,001.	
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions).	8,500.		8,500.	
9 Other employee benefits.	4,097,368.		4,097,368.	
10 Payroll taxes.	1,465,504.	1,316,023.	149,481.	
11 Fees for services (non-employees):				
a Management.				
b Legal.	74,086.		74,086.	
c Accounting.	44,000.		44,000.	
d Lobbying.	10,392.		10,392.	
e Professional fundraising services. See Part IV, line 17.				
f Investment management fees.	14,669.		14,669.	
g Other.				
12 Advertising and promotion.	13,725.		13,725.	
13 Office expenses.	97,600.	35,738.	61,862.	
14 Information technology.	123,664.	94,983.	28,681.	
15 Royalties.				
16 Occupancy.	338,288.	338,288.		
17 Travel.	155,332.	124,177.	31,155.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.				
20 Interest.	751,973.	612,407.	139,566.	
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	1,446,103.	1,177,706.	268,397.	
23 Insurance.	549,996.	182,771.	367,225.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a SUPPLIES	5,157,106.	5,141,620.	15,485.	
b PROFESSIONAL SERVICES	4,145,630.	4,006,422.	139,208.	
c MEDICAID TAX - STATE OF MAINE	1,241,102.	1,241,102.		
d UTILITIES	976,700.	976,700.		
e All other expenses.	1,760,237.	1,335,407.	424,831.	
25 Total functional expenses. Add lines 1 through 24e.	44,027,511.	35,931,179.	8,096,332.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
ASSETS	1	Cash — non-interest-bearing	25,138.	1	20,067.
	2	Savings and temporary cash investments	1,227,068.	2	722,464.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	6,878,103.	4	8,379,146.
	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)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	874,335.	8	785,159.
	9	Prepaid expenses and deferred charges	1,322,482.	9	974,530.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 40,393,838.		
	b	Less: accumulated depreciation	10b 26,734,377.	10c	13,659,461.
	11	Investments — publicly traded securities	2,952,559.	11	3,279,671.
	12	Investments — other securities. See Part IV, line 11.		12	
	13	Investments — program-related. See Part IV, line 11.		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11.	2,939,678.	15	3,160,403.
16	Total assets. Add lines 1 through 15 (must equal line 34)	29,323,445.	16	30,980,901.	
LIABILITIES	17	Accounts payable and accrued expenses	4,732,321.	17	4,888,872.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	11,571,848.	20	10,944,022.
	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	600,223.	23	979,085.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	3,940,635.	25	6,745,860.
	26	Total liabilities. Add lines 17 through 25	20,845,027.	26	23,557,839.
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	7,916,668.	27	7,138,923.
	28	Temporarily restricted net assets	510,086.	28	232,475.
	29	Permanently restricted net assets	51,664.	29	51,664.
	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 assets or fund balances	8,478,418.	33	7,423,062.	
34	Total liabilities and net assets/fund balances	29,323,445.	34	30,980,901.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI.

1	Total revenue (must equal Part VIII, column (A), line 12)	1	42,601,961.
2	Total expenses (must equal Part IX, column (A), line 25)	2	44,027,511.
3	Revenue less expenses. Subtract line 2 from line 1	3	-1,425,550.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	8,478,418.
5	Other changes in net assets or fund balances (explain in Schedule O) ... SEE SCHEDULE O	5	370,194.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	7,423,062.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII.

1 Accounting method used to prepare the Form 990: Cash Accrual 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? Yes No

b Were the organization's financial statements audited by an independent accountant? Yes No

c If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? Yes No

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:

Separate basis Consolidated basis Both consolidated and separate 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? Yes No

b If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

BAA

CLIENT HRH

HOULTON REGIONAL HOSPITAL

23-7134386

4/23/13

03:23PM

FORM 990, PART VIII, LINE 2F
OTHER PROGRAM SERVICE REVENUE

<u>DESCRIPTION</u>	<u>BUS. CODE</u>	<u>TOTAL REVENUE</u>	<u>RELATED OR EXEMPT FUNC TION REVENU</u>	<u>UNRELATED BUSINESS REVENUE</u>	<u>REVENUE EXCLUDED FROM TAX</u>
CHARITY CARE		\$ -1713780.	\$ -1713780.		
BAD DEBT EXPENSE		-1962000.	-1962000.		
CONTRACTUAL ADJUSTMENTS		-28582708.	-28582708.		
TOTALS		<u>\$ -32258488.</u>	<u>\$ -32258488.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support
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.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: **HOULTON REGIONAL HOSPITAL** Employer identification number: **23-7134386**

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 described in **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 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 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 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?

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

h Provide the following information about the supported organization(s).

	(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 column (i) listed in your governing document?		(v) Did you notify the organization in column (i) of your support?		(vi) Is the organization in column (i) organized in the U.S.?		(vii) Amount of support
				Yes	No	Yes	No	Yes	No	
(A)										
(B)										
(C)										
(D)										
(E)										
Total										

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

Schedule A (Form 990 or 990-EZ) 2011

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
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 section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)).	14	%
15 Public support percentage from 2010 Schedule A, Part II, line 14.	15	%

16a **33-1/3% support test – 2011.** If the organization did not check the box on line 13, and the 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 – 2010.** If the organization did not check a 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 – 2011.** 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 – 2010.** 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 Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 yr beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f)).	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15.	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f)).	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17.	18	%

19a 33-1/3% support tests — 2011. 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 — 2010. 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.

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF**

OMB No. 1545-0047

2011

Name of the organization

HOULTON REGIONAL HOSPITAL

Employer identification number

23-7134386

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Form 990-PF

Section:

- 501(c)(3) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

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

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

General Rule

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules

- For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc. purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc. purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc. contributions of \$5,000 or more during the year. ▶ \$ _____

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

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization

HOULTON REGIONAL HOSPITAL

Employer identification number

23-7134386

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

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	----- ----- ----- -----	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	----- ----- ----- -----	\$ 85,292.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization
HOULTON REGIONAL HOSPITAL

Employer identification number
23-7134386

Part III Exclusively religious, charitable, etc, individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete cols (a) through (e) and the following line entry.

For organizations completing Part III, enter total of exclusively religious, charitable, etc, contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$ N/A
 Use duplicate copies of Part III if additional space is needed.

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

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

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

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

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

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

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

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

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2011

Department of the Treasury
Internal Revenue Service

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

▶ **Complete if the organization is described below.**

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

Open to Public Inspection

If the organization answered 'Yes,' to Form 990, Part IV, line 3, or Form 990-EZ, Part V, 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, Part V, line 35a (Proxy Tax), then

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

Name of organization HOULTON REGIONAL HOSPITAL	Employer identification number 23-7134386
--	---

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. ▶ \$ _____ 0.
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955. ▶ \$ _____ 0.
- 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 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. 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.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-
(1)	-----			
(2)	-----			
(3)	-----			
(4)	-----			
(5)	-----			
(6)	-----			

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 (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- 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												
1 a 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"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>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 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.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2 a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

BAA

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)).

For each 'Yes' response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
SEE PART IV			
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?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		10,392.
j Total. Add lines 1c through 1i			10,392.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
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?		X	

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?		
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?		

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

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible 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; Part II-A; and Part II-B, line 1. Also, complete this part for any additional information.

--- **PART II-B - DESCRIPTION OF LOBBYING ACTIVITY** ---
 --- OTHER LOBBYING AMOUNTS REPRESENT AN ALLOCABLE PORTION OF DUES PAID TO THE AMERICAN ---
 --- HOSPITAL ASSOCIATION, THE MAINE HOSPITAL ASSOCIATION, AND THE MAINE HEALTH CARE ---
 --- ASSOCIATION ---

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

Employer identification number

HOULTON REGIONAL HOSPITAL

23-7134386

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.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 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? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can 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? Yes No

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 (e.g., recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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? Yes No

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 section 170(h)(4)(B)(ii)? Yes No

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 (ASC 958), 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 (ASC 958), 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 (ASC 958) 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 acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

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

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part 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	85,541.	88,511.	79,673.	761,985.	
b Contributions					
c Net investment earnings, gains, and losses	18,149.	-2,770.	9,038.	-84,267.	
d Grants or scholarships					
e Other expenditures for facilities and programs				597,107.	
f Administrative expenses	200.	200.	200.	938.	
g End of year balance	103,490.	85,541.	88,511.	79,673.	

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

- a Board designated or quasi-endowment %
 - b Permanent endowment 100.00 %
 - c Temporarily restricted endowment %
- The percentages in lines 2a, 2b, and 2c should equal 100%.

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		193,107.		193,107.
b Buildings		23,158,048.	13,982,564.	9,175,484.
c Leasehold improvements				
d Equipment		10,864,532.	7,972,234.	2,892,298.
e Other		6,178,151.	4,779,579.	1,398,572.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				13,659,461.

Part VII Investments – Other Securities. See Form 990, Part X, line 12. N/A

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

Part VIII Investments – Program Related. See Form 990, Part X, line 13. N/A

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13.)		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3) 457 PLAN ASSETS	278,031.
(4) DEBT SERVICE FUND	306,752.
(5) DEFERRED FINANCING COSTS	377,587.
(6) DEPRECIATION FUND	88,344.
(7) DUE FROM THIRD PARTY PAYORS	2,103,153.
(8) ENDOWMENT FUNDS	6,534.
(9) ROUNDING	2.
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B), line 15.)	3,160,403.

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) 457 PLAN ASSETS	278,031.
(3) DUE TO THIRD PARTY PAYORS	4,852,012.
(4) LINE OF CREDIT	1,615,817.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25.)	6,745,860.

2 FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)		42,601,961.
2	Total expenses (Form 990, Part IX, column (A), line 25)		44,027,511.
3	Excess or (deficit) for the year. Subtract line 2 from line 1		-1,425,550.
4	Net unrealized gains (losses) on investments		370,197.
5	Donated services and use of facilities		
6	Investment expenses		
7	Prior period adjustments		
8	Other (Describe in Part XIV.) SEE PART XIV		-3.
9	Total adjustments (net). Add lines 4 through 8		370,194.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9		-1,055,356.

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	42,957,487.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	370,197.
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	370,197.
3	Subtract line 2e from line 1	3	42,587,290.
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	14,669.
b	Other (Describe in Part XIV.) SEE PART XIV	4b	2.
c	Add lines 4a and 4b	4c	14,671.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	42,601,961.

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

1	Total expenses and losses per audited financial statements	1	44,012,843.
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	44,012,843.
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	14,669.
b	Other (Describe in Part XIV.) SEE PART XIV	4b	-1.
c	Add lines 4a and 4b	4c	14,668.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	44,027,511.

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, line 2; 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.

--- PART V, LINE 4 - INTENDED USES OF ENDOWMENT FUND ---
 --- THE CORPUS OF THE ENDOWMENT IS PERMANENTLY RESTRICTED, WITH ANY EARNINGS AVAILABLE TO ---
 --- PROMOTE THE HOSPITAL'S EXEMPT PURPOSE. ---

2011

SCHEDULE D, PART XIV - SUPPLEMENTAL INFORMATION PAGE 6

CLIENT HRH

HOULTON REGIONAL HOSPITAL

23-7134386

4/24/13

09:05AM

SCHEDULE D, PART XI, LINE 8
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

ROUNDING TOTAL \$ -3.
\$ -3.

SCHEDULE D, PART XII, LINE 4B
OTHER REVENUE INCLUDED ON FORM 990 BUT NOT INCLUDED IN F/S

ROUNDING TOTAL \$ 2.
\$ 2.

SCHEDULE D, PART XIII, LINE 4B
OTHER EXPENSES INCLUDED ON FORM 990 BUT NOT INCLUDED IN F/S

ROUNDING TOTAL \$ -1.
\$ -1.

SCHEDULE H
(Form 990)

Hospitals

OMB No. 1545-0047

2011

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
HOULTON REGIONAL HOSPITAL

Employer identification number
23-7134386

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If 'No,' skip to question 6a.	X	
b If 'Yes,' was it a written policy?	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to the various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year. a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care? If 'Yes,' indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
b Did the organization use FPG to determine eligibility for providing discounted care? If 'Yes,' indicate which of the following was 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>150.0</u> %	X	
c If the organization did 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 used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care. SEE PART VI		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the 'medically indigent'?		X
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b If 'Yes,' did the organization's financial assistance expenses exceed the budgeted amount?	X	
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?		X
6a Did the organization prepare a community benefit report during the tax year?		X
b If 'Yes,' did the organization make it available to the public?		

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance 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 Financial Assistance at cost (from Worksheet 1)			997,313.		997,313.	2.17
b Medicaid (from Worksheet 3, column a)			10,243,741.	9,403,950.	839,791.	1.83
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs	0	0	11,241,054.	9,403,950.	1,837,104.	4.00
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			20,508.	960.	19,548.	0.04
f Health professions education (from Worksheet 5)			2,912.		2,912.	0.01
g Subsidized health services (from Worksheet 6)			81,616.	34,122.	47,494.	0.10
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			70,793.	7,560.	63,233.	0.14
j Total. Other Benefits	0	0	175,829.	42,642.	133,187.	0.29
k Total. Add line 7d and 7j	0	0	11,416,883.	9,446,592.	1,970,291.	4.29

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(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						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total	0	0	0.	0.	0.	0.

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	1	Yes	No
1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?			X
2 Enter the amount of the organization's bad debt expense	2	1,141,688.	
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy	3	179,245.	
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 a portion of bad debt amounts as community benefit.	PART VI		

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	16,127,545.	
6 Enter Medicare allowable costs of care relating to payments on line 5	6	16,947,786.	
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-820,241.	
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:	PART VI		
<input type="checkbox"/> Cost accounting system	<input type="checkbox"/> Cost to charge ratio	<input checked="" type="checkbox"/> Other	

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?	9a	X	
b If 'Yes,' did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV Management Companies and Joint Ventures (see instructions)

	(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					

Part V Facility Information (continued)

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: HOULTON REGIONAL HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for tax year 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If 'No,' skip to line 8	1 X	
If 'Yes,' indicate what the Needs Assessment describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment: _____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If 'Yes,' describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted.	3 X	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If 'Yes,' list the other hospital facilities in Part VI.	4 X	
5 Did the hospital facility make its Needs Assessment widely available to the public?	5 X	
If 'Yes,' indicate how the Needs Assessment was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If 'No,' explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs.	7 X	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
8 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8 X	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9 X	
If 'Yes,' indicate the FPG family income limit for eligibility for free care: <u>150</u> %		
If 'No,' explain in Part VI the criteria the hospital facility used.		

Part V Facility Information (continued)

	Yes	No
10 Used FPG to determine eligibility for providing <i>discounted care</i> ? If 'Yes,' indicate the FPG family income limit for eligibility for discounted care: <u>150</u> % If 'No,' explain in Part VI the criteria the hospital facility used.	X	
11 Explained the basis for calculating amounts charged to patients? If 'Yes,' indicate the factors used in determining such amounts (check all that apply):	X	
a <input checked="" type="checkbox"/> Income level		
b <input type="checkbox"/> Asset level		
c <input type="checkbox"/> Medical indigency		
d <input type="checkbox"/> Insurance status		
e <input type="checkbox"/> Uninsured discount		
f <input type="checkbox"/> Medicaid/Medicare		
g <input checked="" type="checkbox"/> State regulation		
h <input type="checkbox"/> Other (describe in Part VI)		
12 Explained the method for applying for financial assistance?	X	
13 Included measures to publicize the policy within the community served by the hospital facility? If 'Yes,' indicate how the hospital facility publicized the policy (check all that apply):	X	
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b <input checked="" type="checkbox"/> The policy was attached to billing invoices		
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f <input checked="" type="checkbox"/> The policy was available on request		
g <input type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		X
15 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP:		
a <input checked="" type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If 'Yes,' check all actions in which the hospital facility or a third party engaged:		X
a <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply)		
a <input type="checkbox"/> Notified patients of the financial assistance policy on admission		
b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy		
e <input type="checkbox"/> Other (describe in Part VI)		

Part V Facility Information (continued)

Policy Relating to Emergency Medical Care

	Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	
If 'No,' indicate why:		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d <input checked="" type="checkbox"/> Other (describe in Part VI)		
PART VI		
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?		X
If 'Yes,' explain in Part VI.		
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient?		X
If 'Yes,' explain in Part VI.		

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 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 financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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.).
- 6 **Affiliated health care system.** 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.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 3C - CHARITY CARE ELIGIBILITY CRITERIA (FPG IS NOT USED)

DISCOUNTED CARE PROVIDED IN THE RHC SETTING, BEGINNING AT 150% OF FPG.

PART I, LINE 7 - EXPLANATION OF COSTING METHODOLOGY

COST-TO-CHARGE RATIO WAS USED TO DERIVE CHARITY CARE AT COST IN THE TABLE.

COST-TO-CHARGE RATIO WAS ALSO USED TO DERIVE THE COST OF MEDICAID SERVICES, WHICH IS INCLUDED AS A PORTION OF THE UNREIMBURSED MEDICAID COMMUNITY BENEFIT EXPENSE. THE COST-TO-CHARGE RATIO WAS DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES.

PART I, LINE 7G - COSTS ASSOCIATED WITH PHYSICIANS CLINICS

SUBSIDIZED HEALTH SERVICES CONSIST OF TWO SERVICES: CARDIAC & RESPIRATORY REHABILITATION CLASSES AND LIFELINE UNIT RENTALS.

CARDIAC REHAB PHASE III AND RESPIRATORY REHAB PHASE III CLASSES ARE OFFERED TO THE HRH PATIENT BASE, BUT ARE NOT ELIGIBLE FOR REIMBURSEMENT FROM THIRD PARTY

INSURANCES. PATIENTS PAY UP FRONT TO ATTEND THESE SESSIONS, THEREFORE CHARITY CARE AND BAD DEBT DO NOT APPLY. COSTS FOR THESE SESSIONS HAS BEEN DETERMINED BY USING ACTUAL STAFF TIME LOGGED TO TEACH THE SESSIONS. FACILITY COSTS HAVE BEEN INCLUDED BASED ON THE TIME USAGE OF THE CLASSES COMPARED TO THE AVAILABLE SQUARE FOOTAGE.

THIS PERCENTAGE WAS THEN MULTIPLIED AGAINST THE FACILITY COSTS DRAWN DOWN BY THE CARDIAC DEPARTMENT ON THE MEDICARE COST REPORT.

DIRECT STAFFING & BENEFIT COSTS \$22,005

Part V Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 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 financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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.).
- 6 **Affiliated health care system.** 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.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 7G - COSTS ASSOCIATED WITH PHYSICIANS CLINICS (CONTINUED)

FACILITY COSTS 35,286

CLASS REVENUES COLLECTED (11,329)

NET COMMUNITY BENEFIT \$45,962

HRH RENTS LIFELINE EMERGENCY RESPONSE UNITS TO INDIVIDUALS IN OUR SERVICE AREA.

THIS PROGRAM IS OPERATED TO ASSIST THE ELDERLY WITH THEIR DESIRE TO REMAIN

INDEPENDENT AND LIVING IN THEIR OWN HOME. HRH PAYS A FEE FOR THE UNIT AND A RELATED

CONNECTION COST. HRH ALSO INCURS STAFFING COSTS FOR INSTALLATION AND DISCONNECTION

OF THE UNITS. A LOG OF THESE COSTS WAS CREATED FROM THE RELATED INVOICES AND

TIMECARDS:

STAFFING, UNIT RENTAL & CONNECTION COSTS \$24,325

UNIT RENTAL FEES COLLECTED (22,793)

NET COMMUNITY BENEFIT 1,532

PART III, LINE 4 - BAD DEBT EXPENSE

FOOTNOTE THAT DESCRIBES BAD DEBT EXPENSE: PATIENT ACCOUNTS RECEIVABLE ARE STATED AT

THE AMOUNT MANAGEMENT EXPECTS TO COLLECT FROM OUTSTANDING BALANCES. MANAGEMENT

PROVIDES FOR PROBABLE UNCOLLECTIBLE AMOUNTS THROUGH A CHARGE TO EARNINGS AND A

CREDIT TO A VALUATION ALLOWANCE BASED ON ITS ASSESSMENT OF THE CURRENT STATUS OF

INDIVIDUAL ACCOUNTS. BALANCES THAT ARE STILL OUTSTANDING AFTER MANAGEMENT HAS USED

REASONABLE COLLECTION EFFORTS ARE WRITTEN FOF THROUGH A CHARGE TO THE VALUATION

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 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 financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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.).
- 6 **Affiliated health care system.** 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.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 4 - BAD DEBT EXPENSE (CONTINUED)

ALLOWANCE AND A CREDIT TO PATIENT ACCOUNTS RECEIVABLE.

COSTING METHODOLOGY USED IN DETERMINING THE AMOUNTS REPORTED ON LINE 2 -

ORGANIZATION BAD DEBT EXPENSE (AT COST): WE USED WORKSHEET A TO ESTIMATE BAD DEBT EXPENSE (AT COST), WHICH IS A COST-TO-CHARGE METHODOLOGY.

PAYMENTS OR DISCOUNTS ON BAD DEBT ACCOUNTS: ANY PAYMENTS OR DISCOUNTS ON PATIENT ACCOUNTS AFTER THE ACCOUNT HAS BEEN WRITTEN OFF ARE RECORDED THROUGH THE VALUATION ACCOUNT. PERIODICALLY REASONABLENESS OF THE BALANCE IN THE VALUATION ACCOUNT IS EVALUATED. IF THE BALANCE NEEDS TO BE ADJUSTED AN ENTRY IS MADE TO THE VALUATION ACCOUNT WITH AN OFFSETTING ENTRY POSTED TO BAD DEBT EXPENSE.

COSTING METHODOLOGY USED IN DETERMINING THE AMOUNT REPORTED ON LINE 3 - BAD DEBT

ATTRIBUTABLE TO PATIENTS ELIGIBLE FOR CHARITY CARE: THE AMOUNT IS BASED ON THE ORGANIZATION'S BAD DEBT EXPENSE AT COST (CALCULATED AT LINE 2) MULTIPLIED BY THE PERCENTAGE OF PERSONS IN AROOSTOOK COUNTY BELOW THE POVERTY LEVEL (15.7%). THE HOSPITAL USES THE FEDERAL POVERTY GUIDELINES TO DETERMINE ELIGIBILITY FOR PROVIDING FREE CARE TO LOW INCOME INDIVIDUALS. THE FAMILY INCOME LIMIT FOR ELIGIBILITY FOR

FREE CARE IS 150% OF POVERTY LEVEL. WE ASSUME THAT THE DEMOGRAPHICS OF THE PATIENTS

Part V Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 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 financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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.).
- 6 **Affiliated health care system.** 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.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 4 - BAD DEBT EXPENSE (CONTINUED)

COMPRISING OUR BAD DEBT EXPENSE ARE SIMILAR TO THE DEMOGRAPHICS OF AROOSTOOK COUNTY (THE COUNTY WE ARE LOCATED IN). PER THE US CENSUS BUREAU QUICKFACTS FOR AROOSTOOK COUNTY, MAINE, 15.7% OF PERSONS IN 2011 ARE BELOW POVERTY LEVEL. SINCE OUR ELIGIBILITY CRITERIA FOR OUR HOSPITAL IS 150% OF POVERTY LEVEL AND WE USED THE PERCENTAGE BELOW 100% TO ESTIMATE THE POTENTIAL CHARITY CARE WRITTEN OFF AS BAD DEBT, WE BELIEVE OUR CALCULATION IS REASONABLE AND CONSERVATIVE.

PART III, LINE 8 - EXPLANATION OF SHORTFALL AS COMMUNITY BENEFIT

PORTION OF MEDICARE SHORTFALL RELATED TO THE SKILLED NURSING FACILITY SHOULD CONSTITUTE COMMUNITY BENEFIT BECAUSE THE HOSPITAL CONTINUES TO PROVIDE THE SERVICE WHILE SUBSIDIZING THE FINANCIAL LOSSES INCURRED BY THE UNIT. THE CENSUS ON THIS UNIT HAS DECLINED IN THE PAST FEW YEARS AND IN THE CURRENT FISCAL YEAR (10/1/12 TO 9/30/13) THE HOSPITAL HAS REDUCED THE NUMBER OF AVAILABLE BEDS FROM 26 TO 18. THIS HAS HELPED TO REDUCE SOME OF THE OPERATING COSTS WHILE STILL MAINTAINING THE SERVICE.

SNF REIMBURSEMENT	\$1,250,479
SNF ALLOWABLE COSTS	\$2,184,942
SNF SHORTFALL	(\$934,463)

ADDITIONAL MEDICARE SHORTFALL - REVENUE AND COSTS NOT INCLUDED IN THE MEDICARE COST

Part V Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 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 financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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.).
- 6 **Affiliated health care system.** 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.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 8 - EXPLANATION OF SHORTFALL AS COMMUNITY BENEFIT (CONTINUED)

REPORT:

	COST	PROFESSIONAL	
	REPORT	FEES	TOTAL
REIMBURSEMENT	\$16,127,545	\$1,325,078	\$17,452,624
COSTS	\$16,947,786	\$1,994,190	\$18,941,976
SHORTFALL	(\$820,241)	(\$669,111)	(\$1,489,352)

THE HOSPITAL BILLS FOR VARIOUS PHYSICIAN SERVICES THROUGHOUT THE YEAR. THE CHARGES AND COSTS RELATED TO THOSE PROFESSIONAL SERVICES ARE NOT REPORTED IN THE HOSPITAL'S COST REPORT.

PROFESSIONAL FEE REIMBURSEMENT: WHEN PREPARING THE COST REPORT TOTAL CHARGES BY DEPARTMENT ARE TAKEN FROM THE GENERAL LEDGER, DETAIL REPORTS BY PROCEDURE AND INPATIENT/OUTPATIENT ARE GENERATED FOR THOSE DEPARTMENTS THAT INCLUDE PROFESSIONAL SERVICE REVENUE, AND PROFESSIONAL SERVICE REVENUE IS THEN SUBTRACTED FROM TOTAL REVENUE TO ARRIVE AT REVENUE TO REPORT ON WORKSHEET C ON THE COST REPORT. THE SAME REPORTS WERE RUN FOR ONLY MEDICARE PROFESSIONAL SERVICE REVENUE BY INPATIENT AND OUTPATIENT. INPATIENT MEDICARE PROFESSIONAL FEE REVENUE WAS THEN REDUCED BY THE INPATIENT MEDICARE PROFESSIONAL FEE DEDCUTIONS FROM REVENUE ON THE GENERAL LEDGER TO ARRIVE AT INPATIENT PROFESSIONAL FEE REIMBURSEMENT. OUTPATIENT MEDICARE

PROFESSIONAL FEE REIMBURSEMENT WAS DERIVED BY MULTIPLYING THE GROSS REIMBURSEMENT ON

Part V Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 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 financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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.).
- 6 **Affiliated health care system.** 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.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 8 - EXPLANATION OF SHORTFALL AS COMMUNITY BENEFIT (CONTINUED)

THE CAH-FEE REIMBURSED PROVIDER SUMMARY REPORT (REPORT TYPE 855) BY THE PERCENTAGE OF PROFESSIONAL CHARGES INCLUDED IN THE SAME REPORT.

PROFESSIONAL FEE COSTS: MEDICARE PROFESSIONAL FEE COSTS WERE DERIVED BY DETERMINING THE PERCENTAGE OF PROFESSIONAL FEE REVENUE BY SPECIALTY SERVICE RELATED TO MEDICARE AND MULTIPLYING THE SPECIFIC PROFESSIONAL COSTS SUMMARIZED BY SPECIALTY SERVICE (A-8-2 SUPPORT) BY THE MEDICARE PERCENTAGE.

SHORTFALL: THE PROFESSIONAL FEE REIMBURSEMENT IS \$669,111 LESS THAN THE PROFESSIONAL FEE COSTS.

PART III, LINE 9B - PROVISIONS ON COLLECTION PRACTICES FOR QUALIFIED PATIENTS

THE HOSPITAL HAS MANY INDIVIDUAL POLICIES THAT RELATE TO COLLECTIONS. THE HOSPITAL HAS A FREE CARE DISCOUNT POLICY WHICH SPECIFIES THE COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR CHARITY CARE. WHEN AN APPLICATION IS RECEIVED THAT MEETS THE INCOME ELIGIBILITY REQUIREMENTS, A SEARCH OF THE BILLING/ACCOUNTS RECEIVABLE IS PERFORMED TO LOCATE ALL ACCOUNTS FOR MEMBERS OF THE HOUSEHOLD. THE ACCOUNTS FOR HOUSEHOLD MEMBERS ARE THEN FLAGGED AS "FREE", BALANCES ARE WRITTEN OFF, AND AN APPROVAL LETTER IS MAILED TO THE APPLICANT. A COPY OF THE APPLICATION IS PLACED IN THE FREE CARE BINDER AND RETAINED THERE FOR THREE MONTHS, WHICH IS THE LENGTH OF TIME AN APPLICATION IS VALID AND IN EFFECT. SELF-PAY ACCOUNTS ARE REVIEWED FOR OPEN/ACTIVE FREE CARE APPLICATIONS BEFORE BILLING THE

Part V Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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- 6 **Affiliated health care system.** 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.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 9B - PROVISIONS ON COLLECTION PRACTICES FOR QUALIFIED PATIENTS (C

PATIENT. IF THE PATIENT HAS AN OPEN/ACTIVE FREE CARE APPLICATION, THE BALANCE IS WRITTEN-OFF AS CHARITY CARE AND THE PATIENT IS NOT BILLED. A SIMILAR PROCESS IS IN PLACE FOR THE SLIDING FEE DISCOUNTS THAT ARE AVAILABLE TO PATIENTS OF THE HOSPITAL-BASED RURAL HEALTH CLINICS.

PART V, LINE 3 - ACCOUNT INPUT FROM PERSON WHO REPRESENT THE COMMUNITY

HOULTON REGIONAL HOSPITAL HOSTED A COMMUNITY FORUM TO REVIEW THE AROOSTOOK COUNTY RESULTS. ATTENDING THIS FORUM WERE REPRESENTATIVES FROM A LOCAL FOHC, A HOME CARE AGENCY, A COUNSELING SERVICE, AND LOCAL LAW ENFORCEMENT, AMONG OTHERS.

PART V, LINE 4 - LIST OTHER HOSPITAL FACILITIES THAT JOINTLY CONDUCTED NEEDS ASSESSMENT

THE HOSPITAL PARTICIPATED IN THE ONE MAINE HEALTH COLLABORATIVE ASSESSMENT FOR THE ENTIRE STATE OF MAINE. WHILE ALL HOSPITALS HAVE PARTICIPATED WITH THIS COLLABORATIVE, IT WAS LED BY EASTERN MAINE HEALTHCARE SYSTEMS, MAINE HEALTH, AND MAINE GENERAL.

PART V, LINE 19D - OTHER BILLING DETERMINATION OF INDIVIDUALS WITHOUT INSURANCE

IF A PATIENT IS KNOWN TO BE ELIGIBLE FOR FINANCIAL ASSISTANCE, THE CHARGES ARE WRITTEN OFF WHEN INCURRED OR BILLED TO THE PATIENT AT THE SLIDING SCALE OR REDUCED RATE. IF ELIGIBILITY IS NOT KNOWN AT THE TIME OF SERVICE, THE PATIENT WILL RECEIVE A BILL AT OUR STANDARD RATES. CHARGES WOULD BE REDUCED OR WRITTEN OFF COMPLETELY AFTER IT WAS DETERMINED THEY QUALIFIED FOR FREE OR DISCOUNTED CARE.

Part V Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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- 6 **Affiliated health care system.** 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.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART VI - NEEDS ASSESSMENT

THE HOSPITAL IS A STRATEGIC AFFILIATE OF EASTERN MAINE HEALTHCARE SYSTEMS (EMHS) AND

IS ABLE TO RECEIVE MANY SERVICES SUCH AS GROUP PURCHASING AND COMMUNITY NEEDS

ASSESSMENT FACILITATION AS A RESULT. EASTERN MAINE MEDICAL CENTER (EMMC) IS THE

TERTIARY FACILITY FOR OUR SERVICE AREA AND IS THE FLAGSHIP HOSPITAL OF EMHS. MANY OF

OUR PATIENTS ARE REFERRED TO EMMC FOR SERVICES THAT CANNOT BE PROVIDED HERE.

EMHS, MAINE HEALTH, AND MAINE GENERAL HEALTH FORMED A PARTNERSHIP NAMED, THE

ONEMAINE HEALTH COLLABORATIVE (ONEMAINE). IN JANUARY 2010, ONEMAINE CONTRACTED WITH

THE UNIVERSITY OF NEW ENGLAND'S CENTER FOR COMMUNITY AND PUBLIC HEALTH TO CONDUCT A

STATEWIDE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA). THIS ASSESSMENT WAS CONDUCTED

IN COLLABORATION WITH THE UNIVERSITY OF SOUTHERN MAINE AND MARKED DECISION INC TO

IDENTIFY THE MOST IMPORTANT HEALTH ISSUES IN ALL THE COUNTIES IN THE STATE.

A COMMUNITY NEEDS HEALTH ASSESSMENT COMMUNITY FORUM WAS CONDUCTED AT THE HOSPITAL ON

WEDNESDAY, SEPTEMBER 14, 2011 AND OTHER FORUMS WERE HELD THROUGHOUT THE COUNTY. THE

HOSPITAL HAS RECEIVED A SUMMARY OF THESE FORUMS AND HAS ALSO RECEIVED THE 2010

COMMUNITY HEALTH NEEDS ASSESSMENT FROM EMHS. THIS REPORT HAS BEEN LINKED TO OUR

WEBSITE.

THE REPORT SUMMARIZES KEY FINDINGS IN TWO MAJOR AREAS: RISK FACTORS AND DISEASE

INCIDENCE AND PREVALENCE. MANY COMMUNITY AGENCIES UTILIZE THIS DATA TO ASSIST THEM

IN PRIORITIZING THEIR STRATEGIC OBJECTIVES. THESE ITEMS HAVE BEEN INCORPORATED INTO

Part V Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART VI - NEEDS ASSESSMENT (CONTINUED)

OUR 2012 STRATEGIC PLAN.

IN ADDITION, THE HOSPITAL RELIES ON FEEDBACK FROM OUR PATIENTS, EMPLOYEES, MEDICAL STAFF, AND BOARD MEMBERS REGARDING SERVICE NEEDS. WE ALSO FOLLOW RECOMMENDATIONS PROMPTED THROUGH QUALITY INITIATIVES SPONSORED BY OUR PATIENT INSURANCE PLANS.

PART VI - PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

PATIENTS ARE MADE AWARE OF THE CHARITY CARE POLICY THROUGH SIGNAGE IN WAITING ROOMS, DIRECT NOTIFICATION BY STAFF, INFORMATIONAL BROCHURES, AND NOTICES PRINTED ON THE BACK OF PATIENT BILLS. IN ORDER TO QUALIFY FOR CHARITY CARE, THE PATIENT IS ASKED TO PROVIDE A MEDICAID DENIAL LETTER. IF THE PATIENT DOES NOT KNOW HOW TO APPLY FOR STATE ASSISTANCE PROGRAMS, THEY ARE REFERRED TO THE LOCAL HEALTH AND HUMAN SERVICES OFFICE. IF THE PATIENT IS AN INPATIENT, THE HOSPITAL'S SOCIAL SERVICES DEPARTMENT WILL ASSIST THE PATIENT IN FILING STATE AND FEDERAL ASSISTANCE APPLICATIONS.

IN ADDITION, THE HOSPITAL HAS A STAFF PERSON AVAILABLE TO ASSIST INDIVIDUALS IN SELECTING WHICH MEDICARE PART D PLAN WOULD BE BEST FOR THE PATIENT'S SPECIFIC MEDICATION NEEDS. THAT SAME STAFF PERSON ADMINISTERS THE HOSPITAL'S PRESCRIPTION ASSISTANCE PROGRAM.

PART VI - COMMUNITY INFORMATION

HRH SERVES THE COMMUNITIES LOCATED IN SOUTHERN AROOSTOOK COUNTY AS WELL AS A FEW COMMUNITIES IN BORDERING COUNTIES. THE SERVICE AREA IS GEOGRAPHICALLY ISOLATED FROM

Part V Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART VI - COMMUNITY INFORMATION (CONTINUED)

THE LARGER POPULATION CENTER OF BANGOR, ME. TRAVEL WITHIN THE SERVICE AREA AND TO

OUT-OF-AREA DESTINATIONS IS FURTHER COMPLICATED BY THE HARSH MAINE WINTERS.

THE POPULATION IN AROOSTOOK COUNTY IS OLDER THAN THE STATEWIDE AVERAGE. BASED ON

THE 2011 US CENSUS, 19.5% OF THE SERVICE AREA POPULATION IS ELDERLY (65+ YEARS).

WHICH IS HIGHER THAN THE STATE % OF ELDERLY. THIS HIGHER CONCENTRATION OF ELDERLY

COULD CONTRIBUTE TO A DISPROPORTIONATE UTILIZATION OF HEALTH CARE SERVICES.

HRH SERVICE AREA RESIDENTS ARE POORER AND CONFRONTED BY A SIGNIFICANTLY HIGHER

UNEMPLOYMENT RATE THAN MAINERS AS A WHOLE. MOST INCOME MEASURES FOR AROOSTOOK

COUNTY ARE LOWER AND POVERTY IS HIGHER THAN STATEWIDE AVERAGES. 31.4% OF THE

SERVICE AREA RESIDENTS ARE CONSIDERED TO BE LOW-INCOME (LESS THAN 200% OF THE

FEDERAL POVERTY LEVEL) ACCORDING TO THE 2011 CENSUS COMPARED TO 25.6% IN MAINE AS A

WHOLE. AVERAGE UNEMPLOYMENT IN AROOSTOOK COUNTY FOR 2012 WAS 9.5% COMPARED TO 8% FOR

MAINE AS A WHOLE.

WITH RESPECT TO INSURANCE STATUS IN COMPARISON TO THE STATE, MORE SERVICE AREA

RESIDENTS ARE COVERED BY MEDICAID AND MEDICARE OR ARE UNINSURED.

PART VI - EXPLANATION OF HOW ORGANIZATION FURTHERS ITS EXEMPT PURPOSE

AT HRH, ALL QUALIFIED PHYSICIANS IN THE COMMUNITY ARE ELIGIBLE FOR MEDICAL STAFF

PRIVILEGES AT THE HOSPITAL. NO QUALIFIED PHYSICIANS HAVE BEEN DENIED PRIVILEGES.

THE HOSPITAL IS GOVERNED BY A COMMUNITY BOARD WITH BOARD MEMBERS RESIDING IN THE

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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- 6 **Affiliated health care system.** 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.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART VI - EXPLANATION OF HOW ORGANIZATION FURTHERS ITS EXEMPT PURPOSE (CONT)

HOSPITAL'S SERVICE AREA. BOARD MEMBERS COME FROM VARIOUS PROFESSIONAL BACKGROUNDS.

THE BOARD MEETS A MINIMUM OF TEN TIMES PER YEAR. EACH MEETING STARTS OFF WITH A

BOARD EDUCATION SESSION ON TOPICS SUCH AS QUALITY IMPROVEMENT, REIMBURSEMENT

METHODOLOGIES, AND REGULATORY REPORTING OR CHANGES.

THE HOSPITAL COORDINATES CONTINUING MEDICAL EDUCATION (CME) FOR ITS MEDICAL STAFF.

MANY OF THE SESSIONS ARE PERFORMED IN CONJUNCTION WITH THE MONTHLY MEDICAL STAFF

MEETINGS AND ARE TOPICS THAT THE MEDICAL STAFF HAS EXPRESSED AN INTEREST IN. THE

MAJORITY OF THE SESSIONS ARE SPONSORED BY THE HOSPITAL, HELD IN THE HOSPITAL

CONFERENCE ROOMS, AND THE SPEAKERS DONATE THEIR TIME.

THE HOSPITAL PROVIDES VARIOUS MEDICAL SCREENING PROGRAMS TO THE COMMUNITY. THE

HOSPITAL ALSO HOLDS VARIOUS HEALTH EDUCATION PROGRAMS AND HOSTS SUPPORT GROUPS IN

ITS CENTER FOR COMMUNITY HEALTH EDUCATION.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered 'Yes' to Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

HOULTON REGIONAL HOSPITAL

Employer identification number

23-7134386

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 indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

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

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

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

- | | |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input 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? **4a** Yes No
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b** Yes No
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c** Yes No
- If 'Yes' to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations 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? **5a** Yes No
- b** Any related organization? **5b** Yes No
- 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? **6a** Yes No
- b** Any related organization? **6b** Yes No
- 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. **7** Yes No

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 Regulations section 53.4958-4(a)(3)? If 'Yes,' describe in Part III. **8** Yes No

9 If 'Yes' to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? **9** Yes No

	Yes	No
1a		
1b		
2		
3		
4a		<input checked="" type="checkbox"/>
4b		<input checked="" type="checkbox"/>
4c		<input checked="" type="checkbox"/>
5a		<input checked="" type="checkbox"/>
5b		<input checked="" type="checkbox"/>
6a		<input checked="" type="checkbox"/>
6b		<input checked="" type="checkbox"/>
7		<input checked="" type="checkbox"/>
8		<input checked="" type="checkbox"/>
9		<input checked="" type="checkbox"/>

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

For each individual whose compensation must be reported 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable columns (D) and (E) amounts for that individual.

(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 as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus and incentive compensation	(iii) Other reportable compensation				
1 BRIAN GRIFFIN, MD	(i) 249,936.	(ii) 0.	(iii) 270.	0.	16,696.	266,902.	0.
(ii) 0.			0.	0.	0.	0.	0.
2 PHILIP MCFARLANE, MD	(i) 223,046.	(ii) 0.	(iii) 972.	0.	12,504.	236,522.	0.
(ii) 0.			0.	0.	0.	0.	0.
3 THOMAS MOAKLER	(i) 229,075.	(ii) 0.	(iii) 8,354.	0.	7,903.	245,332.	0.
(ii) 0.			0.	0.	0.	0.	0.
ROBERT	(i) 238,820.	(ii) 0.	(iii) 1,188.	0.	12,504.	252,512.	0.
4 MOSENFELDER, MD	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
SANTIAGO DUY	(i) 237,386.	(ii) 0.	(iii) 452.	0.	17,854.	255,692.	0.
(ii) 0.			0.	0.	0.	0.	0.
PAUL M ALEXANDER	(i) 233,156.	(ii) 0.	(iii) 414.	0.	0.	233,570.	0.
(ii) 0.			0.	0.	0.	0.	0.
CATHY CHASSE	(i) 214,753.	(ii) 0.	(iii) 414.	0.	6,357.	221,524.	0.
(ii) 0.			0.	0.	0.	0.	0.
MICHAEL NORTHWAY	(i) 214,205.	(ii) 0.	(iii) 774.	0.	7,903.	222,882.	0.
(ii) 0.			0.	0.	0.	0.	0.
9							
10							
11							
12							
13							
14							
15							
16							

SCHEDULE K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

HOULTON REGIONAL HOSPITAL

Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A MAINE HEALTH & HIGHER EDUC	01-0314384	560425L40	7/01/2007	2,371,246.	REFINANCE EXISTING DEBT		X	X	X	X	
B MAINE HEALTH & HIGHER EDUC	01-0314384	560425469	7/01/2006	1,529,734.	51% CONSTRUCTION, 49% REFINANC		X	X	X	X	
C MAINE HEALTH & HIGHER EDUC	01-0314384	5604250S2	10/16/2003	4,606,976.	REFINANCE EXISTING BOND		X	X	X	X	
D MAINE HEALTH & HIGHER EDUC	01-0314384	5604253L2	11/01/2008	3,572,529.	CONSTRUCTION		X	X	X	X	

Employer identification number
23-7134386

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered 'Yes' to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Part II Proceeds

	A	B	C	D
1 Amount of bonds retired	450,000.	355,000.	1,715,000.	130,000.
2 Amount of bonds legally defeased				
3 Total proceeds of issue	2,371,246.	1,529,734.	4,606,976.	3,572,529.
4 Gross proceeds in reserve funds				
5 Capitalized interest from proceeds				
6 Proceeds in refunding escrows				
7 Issuance costs from proceeds	45,535.	46,860.	83,325.	65,821.
8 Credit enhancement from proceeds				
9 Working capital expenditures from proceeds				577,759.
10 Capital expenditures from proceeds	2,325,711.	1,482,874.	4,523,651.	2,928,949.
11 Other spent proceeds				
12 Other unspent proceeds				
13 Year of substantial completion	2007	2006	2003	2010

Part III Private Business Use

	2007		2006		2003		2010	
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?	X		X		X		X	
15 Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16 Has the final allocation of proceeds been made?	X		X		X		X	
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?				X				X
2 Are there any lease arrangements that may result in private business use of bond-financed property?			X					X

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule K (Form 990) 2011

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?				X				X
b If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?				X				X
c Are there any research agreements that may result in private business use of bond-financed property?				X				X
d If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?				X				X
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government				4.500 %				%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government				0.600 %				%
6 Total of lines 4 and 5				5.100 %				%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?				X				X

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		X
2 Is the bond issue a variable rate issue?		X		X		X		X
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		X
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b Name of provider		TRANSAMERICA		FSA		FSA		
c Term of GIC		33.0		29.0		20.0		
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X		X		X		X
5 Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
6 Did the bond issue qualify for an exception to rebate?		X		X		X		X

Part V Procedures To Undertake Corrective Action

Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations? Yes No

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

ADDITIONAL INFORMATION

SCHEDULE K, PART III, LINE 7 AND SCHEDULE K, PART V

THE HOSPITAL HAS CURRENTLY ESTABLISHED SOME OF THE PRACTICES AND PROCEDURES NECESSARY FOR POST-ISSUANCE

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?								
b If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?								
d If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		%				%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		%				%		%
6 Total of lines 4 and 5		%				%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?								
2 Is the bond issue a variable rate issue?								
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?								
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a guaranteed investment contract (GIC)?								
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?								
6 Did the bond issue qualify for an exception to rebate?								

Part V Procedures To Undertake Corrective Action

Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations? Yes No

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

ADDITIONAL INFORMATION (CONTINUED)
 COMPLIANCE THE HOSPITAL CURRENTLY MONITORS COMPLIANCE WITH BOND DOCUMENTS THROUGH OUR INTERNAL COMPLIANCE COMMITTEE WE ARE ALSO REQUIRED BY THE ISSUER TO SUBMIT QUARTERLY DOCUMENTS AS PART OF OUR BOND AGREEMENTS. WE

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?								
b If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?								
d If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		%				%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		%				%		%
6 Total of lines 4 and 5		%				%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?								
2 Is the bond issue a variable rate issue?								
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?								
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a guaranteed investment contract (GIC)?								
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?								
6 Did the bond issue qualify for an exception to rebate?								

Part V Procedures To Undertake Corrective Action

Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations? Yes No

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

ADDITIONAL INFORMATION (CONTINUED)

ARE WORKING WITH OUR ATTORNEY TO DEVELOP WRITTEN POLICIES AND AIM TO HAVE THESE IN PLACE BY JUNE 30, 2013

SCHEDULE K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered 'Yes' to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

HOULTON REGIONAL HOSPITAL

Employer identification number

23-7134386

Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A MAINE HEALTH & HIGHER EDUC	01-0314384	560427JA5	6/24/2010	3,171,803.	REFINANCE EXISTING DEBT		X		X		X
B											
C											
D											

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired								
2 Amount of bonds legally defeased		335,000.						
3 Total proceeds of issue				3,171,803.				
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds				44,927.				
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds				3,126,876.				
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion				2010				

- 14 Were the bonds issued as part of a current refunding issue?
- 15 Were the bonds issued as part of an advance refunding issue?
- 16 Has the final allocation of proceeds been made?

17 Does the organization maintain adequate books and records to support the final allocation of proceeds?

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?								
2 Are there any lease arrangements that may result in private business use of bond-financed property?								

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

Schedule K (Form 990) 2011

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?								
b If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?								
d If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2 Is the bond issue a variable rate issue?		X						
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X						
5 Were any gross proceeds invested beyond an available temporary period?		X						
6 Did the bond issue qualify for an exception to rebate?		X						

Part V Procedures To Undertake Corrective Action

Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations? Yes No

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ **Complete if the organization answered 'Yes' on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

HOULTON REGIONAL HOSPITAL

Employer identification number

23-7134386

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered 'Yes' on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958. ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization. ▶ \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 26 or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
	(1)									
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
Total				▶ \$						

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OVB No. 1545-0047

2011

Department of the Treasury
Internal Revenue Service

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

Open to Public
Inspection

Name of the organization

HOULTON REGIONAL HOSPITAL

Employer identification number

23-7134386

PART I SUMMARY

IN JULY 2011, THE FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) AMENDED ACCOUNTING STANDARDS CODIFICATION (ASC) 954, HEALTH CARE ENTITIES, TO REQUIRE HEALTH CARE ENTITIES TO CHANGE THE PRESENTATION OF THE STATEMENT OF OPERATIONS BY RECLASSIFYING THE PROVISION FOR BAD DEBTS ASSOCIATED WITH PATIENT SERVICE REVENUE FROM AN OPERATING EXPENSE TO A DEDUCTION FROM PATIENT SERVICE REVENUE (NET OF CONTRACTUAL ALLOWANCES AND DISCOUNTS). ADDITIONALLY, ENHANCED DISCLOSURES ARE REQUIRED ABOUT THE POLICIES FOR RECOGNIZING REVENUES AND ASSESSING BAD DEBTS. THE AMENDMENTS ALSO REQUIRE DISCLOSURE OF QUALITATIVE AND QUANTITATIVE INFORMATION ABOUT SIGNIFICANT CHANGES IN THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. THE AMENDMENTS TO ASC 954 ARE EFFECTIVE FOR THE FIRST ANNUAL PERIOD ENDING AFTER DECEMBER 15, 2012. THE HOSPITAL ELECTED TO EARLY ADOPT THESE AMENDMENTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2012.

REVENUES AND EXPENSES FOR OUR 9/30/11 TAX YEAR HAVE BEEN RESTATED ON THE 990 SUMMARY TO MATCH THE ABOVE PRESENTATION FOR THE CURRENT TAX YEAR 9/30/12.

FORM 990, PART III, LINE 1 - ORGANIZATION MISSION

HOULTON REGIONAL HOSPITAL'S MISSION IS TO PROVIDE SAFE, COMPASSIONATE, QUALITY, COST EFFECTIVE CARE TO THE COMMUNITIES WE SERVE. OUR RESOURCES WILL BE DEDICATED TOWARDS IMPROVING THE HEALTH STATUS OF THOSE WE SERVE THROUGH EDUCATION, TREATMENT AND REHABILITATION.

FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS

REVIEWED WITH THE BOARD OF DIRECTORS AT A REGULARLY SCHEDULED MEETING.

FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS

ANNUALLY, DIRECTORS, OFFICERS, AND KEY EMPLOYEES SHALL COMPLETE A CONFLICT OF INTEREST STATEMENT, IN ACCORDANCE WITH THE HOSPITAL'S CONFLICT OF INTEREST POLICY, DISCLOSING ANY POTENTIAL BUSINESS AND PROFESSIONAL CONFLICTS WHICH MAY ARISE.

Name of the organization

Employer identification number

HOULTON REGIONAL HOSPITAL

23-7134386

FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS (CONTINUED)

POTENTIAL CONFLICTS WILL BE REVIEWED ON AN ANNUAL BASIS BY THE BOARD OF DIRECTORS.

SHOULD A DIRECTOR ENCOUNTER A SPECIFIC CONFLICT OF INTEREST IN ANY MEETING OF THE BOARD OR A BOARD COMMITTEE, THAT DIRECTOR WILL EXCUSE THEMSELVES FROM THE MEETING, WILL NOT PARTICIPATE IN DISCUSSION OF THE ISSUE AND WILL NOT VOTE.

FORM 990, PART VI, LINE 15A - COMPENSATION REVIEW & APPROVAL PROCESS FOR CEO, EXEC. DIR., OR TOP MGT
WAGES FOR THE CEO AND CFO ARE COMPARED AGAINST THE MHA EXECUTIVE COMPENSATION SURVEY ON A BI-ANNUAL BASIS BY THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS.

FORM 990, PART VI, LINE 15B - COMPENSATION REVIEW & APPROVAL PROCESS FOR OFFICERS & KEY EMPLOYEE:
PHYSICIAN SALARIES ARE COMPARED AGAINST TWO DIFFERENT SETS OF COMPARATIVE DATA - THE MGMA PHYSICIAN COMPENSATION SURVEY AND THE MAINE RECRUITMENT CENTER SURVEY.

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

THE BY-LAWS OF HOULTON REGIONAL HOSPITAL ARE AVAILABLE TO THE PUBLIC UPON REQUEST. THE CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE NOT MADE AVAILABLE TO THE PUBLIC.

FORM 990, PART VII - COMPENSATION EXPLANATION

HASSAN E ABOULEISH, MD

HASSAN E. ABOULEISH IS THE SOLE OWNER OF HASSAN E.ABOULEISH, INC. THIS CORPORATION PROVIDES PHYSICIAN SERVICES AND OVERSIGHT TO THE EMERGENCY DEPARTMENT, AS WELL AS RESPIRATORY AND BONE DENSITY TEST INTERPRETATIONS. THE AMOUNTS PAID TO THIS CORPORATION HAVE BEEN REPORTED AS NONEMPLOYEE COMPENSATION ON FORM 1099.

2011

SCHEDULE O - SUPPLEMENTAL INFORMATION

PAGE 1

CLIENT HRH

HOULTON REGIONAL HOSPITAL

23-7134386

4/23/13

03:20PM

FORM 990, PART XI, LINE 5
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

NET UNREALIZED GAINS OR LOSSES ON INVESTMENTS	\$	370,197.
ROUNDING		-3.
	TOTAL \$	<u>370,194.</u>