

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

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

DME No. 1545-0047  
**2011**  
Open to Public Inspection

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

**A** For the 2011 calendar year, or tax year beginning and ending:

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Reorganization  
 Extension of return  
 Application pending

**C** Name of organization: **Mercy Hospital**  
 Doing Business As  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
**144 State Street**  
 City or town, state or country, and ZIP + 4  
**Portland, ME 04101-3795**

**D** Employer identification number: **01-0211534**

**E** Telephone number: **207-879-3000**

**F** Name and address of principal officer: **Eileen Skinner**  
**144 State Street, Portland, ME 04101-3795**

**G** Gross receipts: \$ **203,435,458.**

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

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

**J** Website: ▶ **www.mercyhospital.com**

**K** Form of organization:  Corporation  Trust  Association  Other ▶ **L** Year of formation: **1945** **M** State of legal domicile: **ME**

**Part I Summary**

1 Briefly describe the organization's mission or most significant activities: **Mercy Hospital carries out the healing work of Christ by providing clinically excellent,**

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

Activities & Governance	3	Number of voting members of the governing body (Part VI, line 1a)	3	28
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	22
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	1978
	6	Total number of volunteers (estimate if necessary)	6	463
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

		Prior Year	Current Year	
Revenue	8	Contributions and grants (Part VIII, line 1c)	1,100,877.	1,608,779.
	9	Program service revenue (Part VIII, line 2g)	186,573,567.	199,595,175.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,153,624.	558,497.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,536,041.	1,434,405.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	190,364,109.	203,196,856.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	102,903,247.	112,207,570.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>658,714.</b>		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	104,122,902.	106,971,762.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	207,026,149.	219,179,332.	
19	Revenue less expenses. Subtract line 18 from line 12	-16,662,040.	-15,982,476.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 206,185,828.	End of Year 197,985,033.
	21	Total liabilities (Part X, line 26)	119,849,704.	129,071,451.
	22	Net assets or fund balances. Subtract line 21 from line 20	86,336,124.	68,913,582.

**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: **Michael Hachey, Senior Vice President & CFO**  
 Signature of officer: *Michael Hachey* Date: **11/6/12**

Preparer: **Pamela L. Heist**  
 Print/preparer's name: **Pamela L. Heist** Preparer's signature: *Pamela L. Heist CPA* Date: **11/1/12** Check  PTIN  employed P00294236  
 Firm's name: **Deloitte Tax LLP** Firm's EIN: **86-1065772**  
 Firm's address: **1700 Market Street, 25th Floor, Philadelphia, PA 19103-3984** Phone no. **215-246-2300**

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

132001 01-29-12 LHA For Paperwork Reduction Act Notice, see the separate instructions. Form 990 (2011)  
**See Schedule O for Organization Mission Statement Continuation**

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:
Mercy Hospital carries out the healing work of Christ by providing clinically excellent, compassionate healthcare for all, with special concern for the poor and disadvantaged.

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: ) (Expenses \$ 188,607,202. including grants of \$ ) (Revenue \$ 199,595,175.)
Provide access to healthcare for all people through direct patient care at Mercy's various hospital, clinical and physician locations. In providing these services, the organization absorbs significant costs that are not reimbursed through Medicare, Medicaid or other programs. In addition, as part of our mission, we maintain a charity care program that exceeds the Federal Poverty Guidelines. The Company also provides and sponsors a number of socially responsible activities and events that have a positive impact on the lives of the residents of the Greater Portland Community.

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

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

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

4e Total program service expenses 188,607,202.

**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)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	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? <i>If "Yes," complete Schedule C, Part III</i>		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? <i>If "Yes," complete Schedule D, Part I</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? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		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? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	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? <i>If "Yes," complete Schedule D, Part VI</i>	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? <i>If "Yes," complete Schedule D, Part VII</i>	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? <i>If "Yes," complete Schedule D, Part VIII</i>		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? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	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)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		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? <i>If "Yes," complete Schedule G, Part I</i>		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? <i>If "Yes," complete Schedule G, Part II</i>	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
b <i>If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?</i>	X	

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**Part IV Checklist of Required Schedules** (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 17? If "Yes," complete Schedule I, Parts I and II		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? If "Yes," complete Schedule I, Parts I and III		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? If "Yes," complete Schedule J	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, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25	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? If "Yes," complete Schedule L, Part 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? If "Yes," complete Schedule L, Part 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? If "Yes," complete Schedule L, Part II		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? If "Yes," complete Schedule L, Part III		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? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	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? If "Yes," complete Schedule L, Part IV	X	
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		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? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	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)? If "Yes," complete Schedule R, Part V, line 2	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		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? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

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**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		
1a	142		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	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		
2a	1978		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> 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		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		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	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		
7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
7h			
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
8			
9	<b>Sponsoring organizations maintaining donor advised funds.</b>		
a	Did the organization make any taxable distributions under section 4966?		
9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
9b			
10	<b>Section 501(c)(7) organizations.</b> Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12		
10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
10b			
11	<b>Section 501(c)(12) organizations.</b> Enter:		
a	Gross income from members or shareholders		
11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
11b			
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
12b			
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
a	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		
13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
13b			
c	Enter the amount of reserves on hand		
13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14a			
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		
14b			

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**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	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.	28			
b Enter the number of voting members included in line 1a, above, who are independent		22		
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 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, 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.)

	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.		
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 was done	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	X	
b Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	X	
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 take 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 **ME**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **Douglas W. Libby - 207-879-3000**  
**144 State Street, Portland, ME 04101-3795**

**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

**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			
(1) William Demicco Chief of Medical Staff	37.50	X					269,716.	0.	28,648.	
(2) Eileen Skinner President & CEO	37.50	X		X			0.	573,327.	39,246.	
(3) Thomas W. Yoder, Jr. Chairman	5.00	X		X			0.	0.	0.	
(4) Joseph R. Foley Vice Chairman	5.00	X		X			0.	0.	0.	
(5) Karen Hart Secretary	5.00	X		X			0.	0.	0.	
(6) Paul Bloch, M.D. Trustee	2.50	X					0.	0.	0.	
(7) Sr. Barbara Brennan, RSM Trustee	2.50	X					0.	0.	0.	
(8) Sr. Patricia Flynn, RSM, PhD Trustee	2.50	X					0.	0.	0.	
(9) Joseph Gray Trustee	2.50	X					0.	0.	0.	
(10) Margaret Hourigan Trustee	2.50	X					0.	0.	0.	
(11) Lois Lengyel Trustee	2.50	X					0.	0.	0.	
(12) Cheryl Libby Trustee	2.50	X					0.	0.	0.	
(13) Paul Lones Trustee	2.50	X					0.	0.	0.	
(14) Sr. Michele Aronica, RSM Trustee	2.50	X					0.	0.	0.	
(15) Brenda Miley Trustee	2.50	X					0.	0.	0.	
(16) Lisa Miller Trustee	2.50	X					0.	0.	0.	
(17) Jon Jennings Trustee	2.50	X					0.	0.	0.	

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

(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			
(18) Thimi Mina Trustee	2.50	X						0.	0.	0.
(19) Sr. Mary Morey, RSM Trustee	2.50	X						0.	0.	0.
(20) Mary Louise Norton Trustee	2.50	X						0.	0.	0.
(21) Gregg Otterbein Trustee	2.50	X						0.	0.	0.
(22) Sr. Patricia Pora, RSM Trustee	2.50	X						0.	0.	0.
(23) David Small Trustee	2.50	X						0.	0.	0.
(24) Sr. Kathleen M. Smith, RSM Trustee	2.50	X						0.	0.	0.
(25) Nelson A. Toner Immediate Past Chairman	2.50	X		X				0.	0.	0.
(26) Isabella Thurston, M.D. Trustee	2.50	X						0.	0.	0.
<b>1b Sub-total</b>								269,716.	573,327.	67,894.
<b>c Total from continuation sheets to Part VII, Section A</b>								2,806,655.	1,344,477.	329,183.
<b>d Total (add lines 1b and 1c)</b>								3,076,371.	1,917,804.	397,077.

**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 **131**

	Yes	No
<b>3</b> Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	X	
<b>4</b> 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? If "Yes," complete Schedule J for such individual	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		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
General Electric Medical Systems 8200 West Tower Avenue, Milwaukee, WI 53223	Equipment Service & Maintenance	2,328,837.
Synernet Inc. 110 Free Street, Portland, ME 04101	Transcription; Equip. Svcs & Maintenance	2,032,637.
Quest Diagnostics, 5763 Collection Center Drive, Chicago, IL 60693	Patient Lab Tests	1,202,923.
Seabreeze Property Services P.O. Box 617, Portland, ME 04102	Grounds Management & Maintenance	997,636.
BCA Financial Services Inc., 18001 Old Cutler Road, Suite 462, Miami, FL 33157	Collections	661,900.

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **44**

See Part VII, Section A Continuation sheets

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) Sr. Janice Turner, RSM Trustee	2.50	X						0.	0.	0.
(28) Bruce Wagner Trustee	2.50	X						0.	0.	0.
(29) Daniel Merson, D.O. Trustee	2.50	X						0.	0.	0.
(30) William Schirmer, M.D. Trustee	2.50	X						0.	0.	0.
(31) Daniel P Sheridan, PhD Trustee	2.50	X						0.	0.	0.
(32) John Walters Trustee	2.50	X						0.	0.	0.
(33) Anthony Marple (Sch O) Chief Financial Officer	37.50			X				0.	226,069.	21,118.
(34) Michael Hachey (Sch O) SVP Ambulatory Services	37.50				X			0.	328,003.	36,743.
(35) Robert Nutter Chief Operating Officer	37.50				X			0.	272,290.	36,366.
(36) Scott Rusk VP Medical Affairs	37.50				X			0.	314,823.	30,546.
(37) James Shrum VP Patient Care Services	37.50				X			0.	203,292.	29,537.
(38) Gregory Pomeroy Lead Physician	40.00					X		708,145.	0.	37,108.
(39) Marc Hodroff Physician	40.00					X		469,925.	0.	28,241.
(40) Gregory Adey Physician	40.00					X		468,651.	0.	32,800.
(41) Adam Owen Physician	40.00					X		512,860.	0.	23,923.
(42) Christopher Kleeman Physician	40.00					X		448,377.	0.	24,814.
(43) Edward Ted McCarthy Chief of Medical Staff	37.50						X	198,697.	0.	27,987.
Total to Part VII, Section A, line 1c								2,806,655.	1,344,477.	329,183.

**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	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c	98,497.			
	d Related organizations	1d				
	e Government grants (contributions)	1e	760,268.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	750,014.			
	g Noncash contributions included in lines 1a-1f: \$		30,234.			
	<b>h Total. Add lines 1a-1f</b>		<b>1,608,779.</b>			
Program Service Revenue	2 a Patient Service Revenue	Business Code 621110	198238159.	198238159.		
	b All Other Program Serv	621110	1,357,016.	1,357,016.		
	c					
	d					
	e					
	f All other program service revenue					
	<b>g Total. Add lines 2a-2f</b>		<b>199595175.</b>			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		13,249.		13,249.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real	411,096.			
		(ii) Personal	0.			
		b Less: rental expenses				
		c Rental income or (loss)	411,096.			
	d Net rental income or (loss)		411,096.		411,096.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities	508,732.	171,179.		
		(ii) Other				
		b Less: cost or other basis and sales expenses		0.134,663.		
		c Gain or (loss)	508,732.	36,516.		
	d Net gain or (loss)		545,248.		545,248.	
	8 a Gross income from fundraising events (not including \$ 98,497. of contributions reported on line 1c). See Part IV, line 18	a	212,225.			
		b Less: direct expenses	103,939.			
c Net income or (loss) from fundraising events			108,286.		108,286.	
9 a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses	b					
c Net income or (loss) from gaming activities						
10 a 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				
11 a Cafeteria Income	722210	915,023.		915,023.		
b						
c						
d All other revenue						
e Total. Add lines 11a-11d		915,023.				
<b>12 Total revenue. See instructions.</b>		<b>203196856.</b>	<b>199595175.</b>	<b>0.</b>	<b>1992902.</b>	

**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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the 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	2,539,738.	2,405,131.	134,607.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	87,472,343.	82,611,600.	4,637,482.	223,261.
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	3,592,420.	3,393,431.	185,347.	13,642.
9 Other employee benefits	12,529,326.	11,438,108.	1,046,413.	44,805.
10 Payroll taxes	6,073,743.	5,597,696.	459,633.	16,414.
11 Fees for services (non-employees):				
a Management				
b Legal	233,217.	16,326.	216,891.	
c Accounting	319,838.		319,838.	
d Lobbying	119,000.		119,000.	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	22,566,802.	15,504,950.	6,864,225.	197,627.
12 Advertising and promotion	898,684.	2,142.	879,122.	17,420.
13 Office expenses	41,112,479.	38,330,587.	2,642,485.	139,407.
14 Information technology	5,604,979.		5,604,979.	
15 Royalties				
16 Occupancy	6,134,026.	5,731,939.	402,087.	
17 Travel	169,715.	135,422.	32,702.	1,591.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	5,644.	5,594.	50.	
20 Interest	3,175,992.		3,175,992.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	10,705,940.	8,117,051.	2,585,151.	3,738.
23 Insurance	2,991,685.	2,719,842.	271,843.	
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 <b>Bad Debt</b>	12,049,563.	12,049,563.		
b <b>Dues and Subscriptions</b>	697,670.	393,193.	303,668.	809.
c <b>Auxiliary</b>	129,627.	129,627.		
d <b>Amortization</b>	56,901.	25,000.	31,901.	
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	219,179,332.	188,607,202.	29,913,416.	658,714.
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  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	1	0.
	2	Savings and temporary cash investments	2	4,257,240.
	3	Pledges and grants receivable, net	3	0.
	4	Accounts receivable, net	4	25,219,266.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	5	0.
	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	0.
	7	Notes and loans receivable, net	7	0.
	8	Inventories for sale or use	8	4,283,233.
	9	Prepaid expenses and deferred charges	9	2,425,062.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	193,405,442.
	b	Less: accumulated depreciation	10b	88,894,838.
	10c		10c	107,321,903.
	11	Investments - publicly traded securities	11	0.
	12	Investments - other securities. See Part IV, line 11	12	27,264,472.
	13	Investments - program-related. See Part IV, line 11	13	0.
	14	Intangible assets	14	246,167.
15	Other assets. See Part IV, line 11	15	35,168,485.	
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	16	206,185,828.	
Liabilities	17	Accounts payable and accrued expenses	17	19,399,735.
	18	Grants payable	18	0.
	19	Deferred revenue	19	1,150,377.
	20	Tax-exempt bond liabilities	20	73,886,719.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D	21	0.
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	22	0.
	23	Secured mortgages and notes payable to unrelated third parties	23	303,963.
	24	Unsecured notes and loans payable to unrelated third parties	24	57,846.
	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	25	25,350,197.
	26	<b>Total liabilities.</b> Add lines 17 through 25	26	119,849,704.
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	27	84,203,259.
	28	Temporarily restricted net assets	28	1,080,540.
	29	Permanently restricted net assets	29	1,052,325.
	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	<b>Total net assets or fund balances</b>	33	86,336,124.
	34	<b>Total liabilities and net assets/fund balances</b>	34	206,185,828.

Form 990 (2011)

**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	203,196,856.
2	Total expenses (must equal Part IX, column (A), line 25)	2	219,179,332.
3	Revenue less expenses. Subtract line 2 from line 1	3	-15,982,476.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	86,336,124.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-1,440,066.
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	68,913,582.

**Part XII Financial Statements and Reporting**

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

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?		X
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		
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: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> 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?	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		X

Form 990 (2011)

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

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2011**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

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

Name of the organization **Mercy Hospital** Employer identification number **01-0211534**

**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 to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I
  - b  Type II
  - c  Type III - Functionally integrated
  - d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

	Yes	No
(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? <span style="float: right;">11g(i)</span>		
(ii) A family member of a person described in (i) above? <span style="float: right;">11g(ii)</span>		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? <span style="float: right;">11g(iii)</span>		
- 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 col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2011

132021 01-24-12

**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
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> 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) .....						
<b>6 Public support.</b> 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
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2010 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>b 33 1/3% support test - 2010.</b> 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 <input type="checkbox"/>		
<b>17a 10% -facts-and-circumstances test - 2011.</b> 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 <input type="checkbox"/>		
<b>b 10% -facts-and-circumstances test - 2010.</b> 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 <input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>		

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

(Completes 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 year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> 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 .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</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 .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>13 Total support</b> (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**

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

**Section D. Computation of Investment Income Percentage**

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

**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

Mercy Hospital

Employer identification number

01-0211534

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

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

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

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$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).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization <b>Mercy Hospital</b>	Employer identification number <b>01-0211534</b>
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**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	[REDACTED]	\$ 7,800.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	[REDACTED]	\$ 10,125.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	[REDACTED]	\$ 8,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	[REDACTED]	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	[REDACTED]	\$ 5,213.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	[REDACTED]	\$ 5,300.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

**Mercy Hospital**

**01-0211534**

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	[REDACTED]	\$ 5,025.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	[REDACTED]	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	[REDACTED]	\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	[REDACTED]	\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	[REDACTED]	\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12	[REDACTED]	\$ 30,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization <b>Mercy Hospital</b>	Employer identification number <b>01-0211534</b>
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**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13	[REDACTED]	\$ 90,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
14	[REDACTED]	\$ 5,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
15	[REDACTED]	\$ 11,800.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
16	[REDACTED]	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
17	[REDACTED]	\$ 15,225.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
18	[REDACTED]	\$ 4,856.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

Mercy Hospital

01-0211534

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
19	[REDACTED]	\$ 5,117.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
20	[REDACTED]	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
21	[REDACTED]	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
22	[REDACTED]	\$ 5,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
23	[REDACTED]	\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
24	[REDACTED]	\$ 8,300.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

**Mercy Hospital**

**01-0211534**

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
25	[REDACTED]	\$ 5,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
26	[REDACTED]	\$ 7,300.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
27	[REDACTED]	\$ 8,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
28	[REDACTED]	\$ 75,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
29	[REDACTED]	\$ 13,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
30	[REDACTED]	\$ 5,408.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

**Mercy Hospital**

**01-0211534**

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
31	[REDACTED]	\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
32	[REDACTED]	\$ 22,600.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
33	[REDACTED]	\$ 7,650.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
34	[REDACTED]	\$ 752,268.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(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) No.	(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 <b>Mercy Hospital</b>	Employer identification number <b>01-0211534</b>
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**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
14	<u>Products &amp; Services</u> _____ _____	\$ <u>5,000.</u>	<u>10/04/11</u>
18	<u>Stock</u> _____ _____	\$ <u>5,002.</u>	<u>11/08/11</u>
19	<u>Stock</u> _____ _____	\$ <u>5,233.</u>	<u>12/14/11</u>
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____

Name of organization <b>Mercy Hospital</b>	Employer identification number <b>01-0211534</b>
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**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 columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

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

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2011**

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

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

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

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

Name of organization **Mercy Hospital** Employer identification number **01-0211534**

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures ..... ▶ \$ \_\_\_\_\_  
3 Volunteer hours .....

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

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

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ..... ▶ \$ \_\_\_\_\_  
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ..... ▶ \$ \_\_\_\_\_  
3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ..... ▶ \$ \_\_\_\_\_  
4 Did the filing organization file Form 1120-POL for this year? .....  Yes  No  
5 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-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2011

LHA

132041  
01-27-12

**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												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying) .....															
b Total lobbying expenditures to influence a legislative body (direct lobbying) .....															
c Total lobbying expenditures (add lines 1a and 1b) .....															
d Other exempt purpose expenditures .....															
e Total exempt purpose expenditures (add lines 1c and 1d) .....															
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.															
<table border="1"> <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 on page 4.)

**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying nontaxable 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					

Schedule C (Form 990 or 990-EZ) 2011

**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
<b>1</b> 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:			
<b>a</b> Volunteers?		X	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
<b>c</b> Media advertisements?		X	
<b>d</b> Mailings to members, legislators, or the public?	X		500.
<b>e</b> Publications, or published or broadcast statements?		X	
<b>f</b> Grants to other organizations for lobbying purposes?		X	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?	X		102,200.
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
<b>i</b> Other activities?	X		16,300.
<b>j</b> Total. Add lines 1c through 1i			119,000.
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**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
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?	1	
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
<b>3</b> Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	

**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."

<b>1</b> Dues, assessments and similar amounts from members	1	
<b>2</b> Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
<b>a</b> Current year	2a	
<b>b</b> Carryover from last year	2b	
<b>c</b> Total	2c	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
<b>4</b> 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	
<b>5</b> 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, Line 1, Lobbying Activities:**

Percentage of dues paid to Maine Hospital Association (MHA) and American Hospital Association (AHA) used by MHA and AHA for lobbying purposes.

**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, line 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

Mercy Hospital

Employer identification number

01-0211534

**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? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> 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? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> 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).
- |  |  |
|--|--|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) | <input type="checkbox"/> Preservation of an historically important land area |
| <input type="checkbox"/> Protection of natural habitat                                       | <input type="checkbox"/> Preservation of a certified historic structure      |
| <input type="checkbox"/> 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
c Beginning balance	
d Additions during the year	
e Distributions during the year	
f 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	1,052,325.	983,424.	873,360.	1,086,370.	
b Contributions	1,850.	4,188.	31,500.	1,500.	
c Net investment earnings, gains, and losses	-12,229.	64,713.	78,564.	-214,510.	
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	1,041,946.	1,052,325.	983,424.	873,360.	

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?  Yes  No

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

**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		6,251,723.		6,251,723.
b Buildings		102,939,507.	35,077,707.	67,861,800.
c Leasehold improvements		2,844,314.	1,114,510.	1,729,804.
d Equipment		77,808,259.	51,819,351.	25,988,908.
e Other		3,561,639.	883,270.	2,678,369.

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)  104,510,604.

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) Marketable Equity		
(B) Securities	11,353,286.	End-of-Year Market Value
(C) Marketable Debt		
(D) Securities	3,215,627.	End-of-Year Market Value
(E) Alternative Investments	4,637,769.	End-of-Year Market Value
(F)		
(G)		
(H)		
(I)		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 12.)	19,206,682.	

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(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)		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 13.)		

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

(a) Description	(b) Book value
(1) Due from Third-Party Payors	22,162,231.
(2) Other Accounts Receivable	3,673,747.
(3) Unamortized Financing	677,323.
(4) Other Assets	594,510.
(5) Market Value Swap Asset	204,191.
(6) Insurance Recoveries	5,606,000.
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15.)	32,918,002.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Market Value Swap Liability	1,193,577.
(3) Workers Compensation Reserve	3,132,000.
(4) Accrued Pension Liability	2,499,012.
(5) AR Credit Balances	1,783,497.
(6) Due to Third Party Payors	6,672,265.
(7) Health Claim Reserves	1,177,997.
(8) Due to Related Companies	9,822,369.
(9) Other Reserves	1,076,774.
(10) Professional Liability Reserve	6,540,900.
(11) Deferred Compensation	682,426.
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25.)	34,580,817.

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)	1	203,196,856.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	219,179,332.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-15,982,476.
4	Net unrealized gains (losses) on investments	4	-2,087,863.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	647,797.
9	Total adjustments (net). Add lines 4 through 8	9	-1,440,066.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-17,422,542.

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

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

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

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

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, 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: Endowment funds restricted uses include funding operations, educational programs, hospice and Alzheimer's screening.**

**Part XI, Line 8 - Other Adjustments:**

Transfers to/from Affiliates 647,797.



**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))	
		Gary's House Golf	McAuley Auction	2		
		(event type)	(event type)	(total number)		
Revenue	1	Gross receipts	197,136.	39,824.	73,762.	310,722.
	2	Less: Charitable contributions	70,000.	0.	28,497.	98,497.
	3	Gross income (line 1 minus line 2)	127,136.	39,824.	45,265.	212,225.
Direct Expenses	4	Cash prizes	0.	0.	0.	
	5	Noncash prizes	2,000.	0.	1,018.	3,018.
	6	Rent/facility costs	1,000.	500.	1,790.	3,290.
	7	Food and beverages	15,928.	3,818.	3,299.	23,045.
	8	Entertainment	0.	250.	400.	650.
	9	Other direct expenses	43,233.	5,649.	25,054.	73,936.
	10	Direct expense summary. Add lines 4 through 9 in column (d)				103,939.
	11	Net income summary. Combine line 3, column (d), and line 10				108,286.

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1	Gross revenue			
Direct Expenses	2	Cash prizes			
	3	Noncash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
	7	Direct expense summary. Add lines 2 through 5 in column (d)			( )
	8	Net gaming income summary. Combine line 1, column d, and line 7			

9 Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_  
 a Is the organization licensed to operate gaming activities in each of these states?  Yes  No  
 b If "No," explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No  
 b If "Yes," explain: \_\_\_\_\_

11 Does the organization operate gaming activities with nonmembers?  Yes  No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No

13 Indicate the percentage of gaming activity operated in:  
a The organization's facility **13a** %  
b An outside facility **13b** %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:  
Name ▶ \_\_\_\_\_  
Address ▶ \_\_\_\_\_

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_

c If "Yes," enter name and address of the third party:  
Name ▶ \_\_\_\_\_  
Address ▶ \_\_\_\_\_

16 Gaming manager information:

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_  
\_\_\_\_\_

Director/officer  Employee  Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV** Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2011**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

Name of the organization **Mercy Hospital** Employer identification number **01-0211534**

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
<b>1b</b> If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
<b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its 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		
<b>3</b> 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.		
<b>a</b> 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 type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
<b>b</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 checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
<b>c</b> 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.		
<b>4</b> 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"?	<input checked="" type="checkbox"/>	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<input checked="" type="checkbox"/>	
<b>c</b> 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?		<input checked="" type="checkbox"/>
<b>6a</b> Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>	

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

	(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
<b>7 Financial Assistance and Certain Other Community Benefits at Cost</b>						
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1)			7087418.		7087418.	3.42%
<b>b</b> Medicaid (from Worksheet 3, column a)			33599117.	24346098.	9253019.	4.47%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d Total</b> Financial Assistance and Means-Tested Government Programs			40686535.	24346098.	16340437.	7.89%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)			1090471.	621,424.	469,047.	.23%
<b>f</b> Health professions education (from Worksheet 5)			97,717.	12.	97,705.	.05%
<b>g</b> Subsidized health services (from Worksheet 6)						
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)						
<b>j Total</b> , Other Benefits			1188188.	621,436.	566,752.	.28%
<b>k Total</b> , Add lines 7d and 7j			41874723.	24967534.	16907189.	8.17%





**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: Mercy Hospital

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

	Yes	No
<b>Community Health Needs Assessment</b> (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		X
If "Yes," indicate what the Needs Assessment describes (check all that apply):		
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input 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 type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input 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: 20 _____		
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		
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		
5 Did the hospital facility make its Needs Assessment widely available to the public?		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):		
a <input 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 type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input 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 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 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		
<b>Financial Assistance Policy</b>		
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?	X	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	X	
If "Yes," indicate the FPG family income limit for eligibility for free care: <u>200</u> %		
If "No," explain in Part VI the criteria the hospital facility used.		

**Part V Facility Information** (continued) **Mercy Hospital**

	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>250</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 checked="" type="checkbox"/> Medical indigency		
d <input checked="" type="checkbox"/> Insurance status		
e <input checked="" type="checkbox"/> Uninsured discount		
f <input checked="" 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 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 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 patient's eligibility under the facility's FAP:		
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)		
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) **Mercy Hospital**

**Policy Relating to Emergency Medical Care**

**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? .....

	Yes	No
<b>18</b>	X	

If "No," indicate why:

- a  The hospital facility did not provide care for any emergency medical conditions
- b  The hospital facility's policy was not in writing
- c  The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d  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  The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b  The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c  The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d  Other (describe in 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? .....

If "Yes," explain in Part VI.

<b>20</b>		X
-----------	--	---

**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? .....

If "Yes," explain in Part VI.

<b>21</b>	X	
-----------	---	--



**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 6a: The organization's community benefit activities are included in Catholic Health East's Community Benefit Report.

Part I, Line 7: The method used was a cost-to-charge ratio derived from the most recent Medicare Cost Report data.

Part I, Line 7, Column (f): The Bad Debt expense included on Form 990, Part IX, Line 25, Column (A), but subtracted for purposes of calculating the percentage in this column is \$ 12049563.

Part II: See attachment for narrative to be added here.

Part III, Line 4: Mercy Hospital provides an allowance for doubtful accounts for estimated losses resulting from the unwillingness of patients or third-party payors to make payments for services. The allowance is determined by analyzing historical data and trends. Accounts receivable are written off against the allowance for doubtful accounts when management determines that recovery is unlikely and refers collection efforts to a third-party collector under contract. Recoveries of bad debt write-offs

**Part VI** Supplemental Information

reduce bad debt expense. The costing methodology used for determining Mercy Hospital's bad debt expense at cost is applying a cost-to-charge ratio on the value of the organizations bad debt expense. To determine the estimated amount of bad debt expense (at cost) attributable to patients eligible under the organizations's charity care policy, the calculated percentage of total charity care to total gross patient revenue was applied to the total bad debt expense. The resulting amount was multiplied by the Medicare cost to charge ratio. Although our charity care policies and procedures make every effort to indentify thoses patients who are eligible for charity care before the billing process begins, often it is not possible to make an appropriate determination until after the billing and collection cycle has commenced. The rationale for including bad debt amounts in community benefits would be to account for those patients who were classified as bad debt expense, but would have qualified for charity care if sufficient information had been available to make a determination of their eligibility.

Discounts on patient accounts are not considered to be bad debts.

Part III, Line 8: The costing methodology to determine Mercy Hospital's Medicare shortfall is calculated by applying a cost-to-charge ratio on the value of gross Medicare revenue to determine an estimate of total revenue received from Medicare and comparing this amount to allowable costs of care.

Part III, Line 9b: Mercy Hospital's written charity care policy clearly states that patients who are known to qualify for charity care or financial assistance are covered under Mercy Hospital's charity care

Schedule H (Form 990) 2011

**Part VI** Supplemental Information

policy. The charity care policy outlines specific parameters for collection practices for charity care patients.

Mercy Hospital:

Part V, Section B, Line 19d: Patients qualifying under the Financial Assistance Plan, FAP, are not charged differently than patients who do not qualify. However, the bills for patients who qualify are adjusted for the amount of financial assistance granted based on the patient's income and family size.

Part VI, Line 2: Describe how the organization assess the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

Aligning community services using community identified health indicators  
 Mercy Hospital works to align our services with the health needs of the community by using the health indicators listed in the Community Health Profile for Cumberland County, annual data provided by Portland's Public Health Division, and a comprehensive asset map and analysis provided by Catholic Health East. These health indicators are as follow: Health Status; Access to Health Care; Physical Activity; Asthma; Tobacco Use; Diabetes; Nutrition; Hypertension; Overweight and Obesity; Mammogram; Medical Care Costs; Pap smear, Alcohol/Drug Abuse, and Safety/Security/ Domestic Violence. The indicators targeted by Mercy's outreach efforts are:

(1) Access to Health Care;

(2) Alcohol/Drug Abuse;

**Part VI** Supplemental Information

(3) Health Status,

(4) Medical Care Costs;

(5) Nutrition, and

(6) Diabetes.

The following are examples of Mercy Hospital Community Services and the relevant community health indicator:

(1) Access to Health Care - Volunteer Services, Community Health Outreach Workers (CHOW), Mercy's OB Clinic, and Interpreter's Training Sponsorship;

(2) Alcohol/Drug Abuse - HOME Team and Portland's Area Regional Consortium Advisory Board;

(3) Health Status - Cancer Support Groups, Pastoral Care - Hospice Visits, McAuley Residence and Hearts to Souls Event;

(4) Medical Care Costs - Advanced Patient Advocacy, McAuley Residence, and Community Health Outreach Worker Training;

(5) Nutrition - Nutrition Education and Counseling and "Cooking for One" Class; and

(6) Diabetes - Diabetes Self-Management Education Program.

H.O.M.E. Team

Chronically homeless persons in Portland use an inordinate amount of resources without benefit of improved health status or overall quality of life. Many of these homeless individuals end up in hospital emergency departments and the county jail at great cost to the local municipalities and state. In July 2010, the H.O.M.E. Team - Mobile Van Unit with Street Intervention Workers - was launched to engage chronically homeless individuals in services that will get them off the streets and into safe, stabilized situations. By going to the streets and reaching out directly to this group, the H.O.M.E. Team has formed relationships, identified

Schedule H (Form 990) 2011

**Part VI Supplemental Information**

unmet social service needs, and made appropriate referrals to community programs. Through active assessment, intervention and referral services, the team has guided these individuals to the appropriate services by accessing the current service delivery system and has markedly reduced the number of contacts with Portland Police and Fire and Rescue. An analysis from June 2011 through December 2011 showed that the HOME Team had roughly 175 contacts per week and 75 weekly interventions for public intoxication and disruptive behavior. These encounters provide an opportunity to refer the chronically homeless persons to social service programs (i.e., Milestone Shelter and Detox program, Oxford St. Shelter, Preble Street Day Shelter, Amistad Drop in Center, and Healthcare for the Homeless). The team achieved a 10% reduction in Emergency Department visits at Mercy Hospital and a 30% reduction at Maine Medical Center for this target population. The data also suggests a significant drop in the number of police responses to high frequency users who were passed out on the street. It should be noted that police policy changed in May of 2010 as to when they would respond to calls for service involving layouts. Even when controlling for this change in police policy, the data suggests an 82 percent drop in police responses to calls for individuals who are passed out on the street.

**Community Health Outreach Workers**

Through a partnership with the city of Portland, Mercy employs two Community Health Outreach Workers (CHOW) to assist with community outreach and care navigation for patients with diverse backgrounds. The Latino CHOW works primarily at the Portland Community Free Clinic coordinating care and assisting patients with access to follow up care with a Mercy provider or specialist. The Somali CHOW works in Mercy's Fore River Family Practice

Schedule H (Form 990) 2011

**Part VI** Supplemental Information

and manages a case load of patients, ensuring that patients with chronic disease or behavioral health concerns successfully navigate the system of care. Both of the CHOWs provide necessary translation of documents or flyers.

**Minority Health Program (MHP)**

The Minority Health Program (MHP) of the Public Health Division, Health and Human Services Department, and City of Portland was established to help address the health related issues and needs of all minority communities in the Greater Portland area. MHP links people to needed services and improves the communities' health status through Community Health Outreach Workers (CHOWs) and community partnerships. Among the Minority Populations Served include the following racial and ethnic groups:

**MHP Current Projects are as follows:**

**ACCESS Project** - MHP partners with Mercy Hospital, Maine Medical Center and Ingraham to improve health care access to the ethnic minority communities in the Greater Portland area. The project has four major components.

**Major Events** - Each year, MHP hosts an event in one of the minority communities celebrating their culture and highlighting specific health issues that are a concern in those communities. Some examples include: the Exercise for Health and Love health fair and screening, and the Latino Soccer Tournament.

**Mattina R. Proctor Diabetes Center**

The Diabetes Self-Management Education Program (DSME) at Mercy Hospital assists persons with diabetes in acquiring the knowledge, skills, and

Schedule H (Form 990) 2011

**Part VI** Supplemental Information

attitudes necessary to achieve and maintain good diabetes control. DSME is offered in group or individual sessions that include general DSME, insulin initiation/adjustment, self-blood glucose management, gestational diabetes counseling, and insulin pump therapy. The target audience is newly diagnosed or previously diagnosed adults with diabetes, which includes Type 1, Type 2, and gestational diabetes and their significant others. Both the nurse and dietician conduct an individual needs assessment with each client and clients attending group classes have a post-assessment interview within one month of completing the classes. Follow-up group is offered monthly continuing for up to one year. Education services for patients are scheduled at intervals based on individual needs and assessment of health status, knowledge, skills, and attitudes, behavioral goal achievement, and post-partum clinical outcomes. Education materials are offered in various languages and literacy levels. A detailed follow up plan for each patient is communicated to the referring provider. Our professional staff includes an Endocrinologist Medical Director, Nurse Manager, RN Clinical Dietician, RN diabetes educator.

**Mercy's OB Clinic**

In 2011, the Mercy Hospital OB Clinic provided low risk prenatal care for 689 patients; many of whom have diverse backgrounds and limited English proficiency. The clinic is open two days per week and staffed with Nurse Midwives and professional nurses. Staff administers a psycho-social assessment to include a risk assessment for domestic violence, nutritional screens, prenatal lab work, adolescent screens for young women under 18 years of age and add appropriate supports to foster safe and health delivery. Referrals occur from the community and primary care physicians.

**Part VI** Supplemental InformationMercy's Volunteer Program.

In 2011, 463 volunteers gave of their skills, time and energy to our healthcare system. Their contribution was as varied as the individuals providing the support services to patients and clerical assistance to staff. Volunteers provided support in most hospital departments and at primary and specialty care sites throughout the year: in filing records, escorting patients, knitting for The Birthplace, registering patients for our flu and vascular clinics, greeting visitors, staffing the Gift Shop, and assisting with childcare in our transitional housing program. Portland is one of nine designated Refugee Resettlement Community in the United States and welcomes primary and secondary immigrants as well as those seeking political asylum from around the world. The Manager of Mission Services works closely with the Department of Health and Human Services to develop meaningful roles for mothers involved in Maine's welfare to work program called ASPIRE and new immigrants to assist them to become accustomed to the workplace environment. In 2011, we offered English as a second language classes for volunteers and staff in partnership with Portland's Adult Education. Mercy's Employee Health office provided TB tests, flu shots, and inoculations for measles, mumps, rubella, and varicella for 144 senior and 147 junior volunteers. 18 volunteers required additional lab work.

Part VI, Line 3: The following is taken from our charity care policy and describes how the organization informs and educates patients on charity care: Public Notice of the availability of assistance through this policy is made through each of the following means:

1. Posting notices in a visible manner in locations where there is a high volume of inpatient or outpatient admitting/registration, such as

Schedule H (Form 990) 2011

**Part VI** Supplemental Information

emergency departments, billing offices, admitting offices, and hospital outpatient service settings.

2. Posting notice of availability of assistance and contact numbers and location on the organization's website.

3. Providing uninsured patients the Financial Assistance application upon registration to the hospital. Upon request, a full text copy of the Charity Care policy should be made available.

4. Making available to the public on a reasonable basis: the annual charity care provided; the unreimbursed costs of care provided to the beneficiaries of government programs that serve the poor (being defined as shortfalls between costs and off-setting reimbursement/revenue that the organization experiences in providing care under the Medicaid and local/county indigent programs for care provided to Medicare beneficiaries who are dually eligible for Medicaid). Posted notices (as listed above) shall be in the primary language(s) of the service area and in a manner consistent with all applicable federal and state laws and regulations. Should any provision of this Policy conflict with the State of Maine requirements surrounding Charity Care, State law shall supersede the conflicting policy provision and the facility shall act in conformance with applicable State law.

Part VI, Line 4: The geographic area served by Mercy Hospital programs is primarily Cumberland and York counties, in south coastal Maine. Two distinct geographic exceptions are the Mercy Recovery Center, Maine's largest addiction treatment facility, which serves patients statewide, and the Northern New England Eating Disorders Program, the only such program located north of Massachusetts. The "community" can be defined in micro fashion, i.e. the city and discreet neighborhood in which

Schedule H (Form 990) 2011

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CHE01021

**Part VI** Supplemental Information

Mercy is located, and in macro fashion, i.e. the larger geographical service area (primarily the two counties, but with a widening catchment area). Portland and the West End - Mercy's acute care campuses at Fore River and State Street are located in the West End neighborhood of Portland (Cumberland County), the state's most populous city (pop. 63,591). While population density for the state as a whole is 37 people per square mile, and for Portland itself is 3,029 people per square mile, in the West End (the state's most densely populated neighborhood) the density measure is 10,568 people per square mile. While median income is lower in Portland than in the rest of the state, median income in the West End is lower than Portland's by \$7,800 (\$35,770 vs. \$43,603).

In addition, while as a designated Refugee Resettlement city Portland has a more culturally and ethnically diverse population than Maine (9.4% vs. 3.6% non-white), a larger percentage of residents are foreign born (8.1% vs. 7.6%) in the West End than in the rest of Portland. Portland is home to the largest population of Somali / Sudanese / Rwandan and other pan-African populations in Maine, as well as large populations of Hispanics, Asians, Russians and other ethnic groups. In summary, Portland is more densely populated, poorer and more culturally diverse than the rest of Maine, and our immediate neighborhood, the West End, is even more so in all three categories.

Portland is also home to a significant population of homeless individuals, drawn to the city by the network of homeless-serving social service agencies, including a dedicated FQHC operated by the City of Portland Public Health Division, located less than a mile from Mercy's State Street campus. This FQHC is strictly for homeless individuals, though Portland Public Health and Mercy Hospital collaborate to provide clinic based services to the poor who are Medicaid (MaineCare) ineligible by

Schedule H (Form 990) 2011

**Part VI** Supplemental Information

subsidizing the Portland Free Clinic with funding and volunteers. A second FQHC, the Portland Community Health Center for MaineCare eligible individuals and children opened in 2009 Mercy Hospital provides the necessary ancillary services and referrals for inpatient admissions from the FQHCs.

Mercy's involvement in a wide range of community benefit initiatives to improve the health and lives of individuals and families in the city of Portland, is discussed elsewhere in this narrative.

Overall Service Area - While the Portland community is a major focus of Mercy healthcare and community involvement, the organization's catchment area (Cumberland and York counties, and wider) also includes more rural areas such as Gorham ("very rural" designation, with a pop. of 4,302) , Standish ("rural" pop. 9,895) , and Buxton ("rural" pop. 8,072). To facilitate access to primary care - the basic building block of healthcare reform - in these outlying rural areas, Mercy has established primary care practice (PCP) sites in several of them: Windham; Gorham; Standish; Falmouth; Yarmouth; and West Falmouth. These are in addition to PCP sites in Portland and Westbrook.

Part VI, Line 5: In addition to the activities listed in Part VI, Line 2, the Hospital maintains an open medical staff and is governed by a board consisting largely of independent members.

Part VI, Line 7, List of States Receiving Community Benefit Report:

AL, CT, DE, FL, GA, ME, MA, NJ, NY, NC, PA

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2011**

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury  
Internal Revenue Service

Name of the organization

Mercy Hospital

Employer identification number

01-0211534

**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 checked="" 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 checked="" type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees              |
| <input checked="" 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 type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input type="checkbox"/> Approval by the board or compensation committee |

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

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

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

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

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

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

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

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

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

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

Schedule J (Form 990) 2011

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

For each individual whose compensation must be reported 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 column (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 & incentive compensation	(iii) Other reportable compensation				
1 William Demicco	(i) 255,422.	(ii) 1,533.	(iii) 12,761.	10,051.	18,597.	298,364.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
2 Eileen Skinner	(i) 356,895.	(ii) 90,250.	(iii) 126,182.	9,930.	29,316.	612,573.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
3 Anthony Marple (Sch O)	(i) 203,808.	(ii) 0.	(iii) 22,261.	2,223.	18,895.	247,187.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
4 Michael Hachey (Sch O)	(i) 239,506.	(ii) 36,882.	(iii) 51,615.	10,413.	26,330.	364,746.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
5 Robert Nutter	(i) 207,579.	(ii) 34,393.	(iii) 30,318.	9,441.	26,925.	308,656.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
6 Scott Rusk	(i) 295,006.	(ii) 13,629.	(iii) 6,188.	3,063.	27,483.	345,369.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
7 James Shrum	(i) 190,000.	(ii) 9,154.	(iii) 4,138.	1,759.	27,778.	232,829.	0.
	(ii) 484,728.	215,770.	7,647.	10,413.	26,695.	745,253.	0.
8 Gregory Pomeroy	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
	(ii) 375,808.	75,000.	19,117.	10,413.	17,828.	498,166.	0.
9 Marc Hodroff	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
	(ii) 375,808.	75,000.	17,843.	10,413.	22,387.	501,451.	0.
10 Gregory Adey	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
	(ii) 520,000.	0.	-7,140.	0.	23,923.	536,783.	0.
11 Adam Owen	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
	(ii) 367,154.	85,000.	-3,777.	356.	24,458.	473,191.	0.
12 Christopher Kleeman	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
	(ii) 177,104.	6,100.	15,493.	8,162.	19,825.	226,684.	0.
13 Edward Ted McCarthy	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
14	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
15	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
16	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.

Part III Supplemental Information

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

Part I, Line 1a: As part of the compensation plan, executives receive a discretionary spending account for certain eligible expenses incurred. Payments of these expenses are made on a grossed-up basis. Mercy Hospital provides local housing for one executive.

Part I, Line 3: The organization relied on a related organization that used one or more of the methods described below to establish the top management official's compensation:

- Compensation committee
- Independent compensation consultants
- Written employment contract
- Compensation survey or study
- Approval by the board or compensation committee.

Part I, Line 4b: The following individuals received taxable SERP payments:

Michael Hachey - \$25,602;

Robert Nutter - \$20,328;

Part III Supplemental Information

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

Colleen Hilton - \$14,420;

Eileen Skinner - \$103,112.

Part I, Line 6: An individual listed on Form 990 Part VII Section A

received incentive compensation related to the contribution margin

associated with office-based services. Under this arrangement, the

individual was paid (a) up to 17.5% of the excess of the current year's

actual contribution margin over the prior year's contribution margin and

(b) up to 17.5% of the excess of the current year's actual contribution

margin over the budgeted contribution margin with a combined payment cap

not to exceed \$120,000.

Part I, Line 7: Company compensation programs include various

incentive/bonus programs where fixed payments measured in terms of a

percentage of base salary may be made in relation to performance or goal

achievements.

**Supplemental Information on Tax-Exempt Bonds**  
 2011  
 Open to Public Inspection

► 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.

Name of the organization: **Mercy Hospital**  
 Employer identification number: **01-0211534**

**Part I Bond Issues**  
 See Part VI for Column (f) Continuations

(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
Maine Health and Higher Educational	01-0314384	560425G61	12/20/06	68400000	Construction of Fore River Hospital		X		X
Maine Health and Higher Educational	01-0314384	560427JA5	06/24/10	11275000	Refinancing 1998A Bonds		X		X
C									
D									

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired				715,000.				
2 Amount of bonds legally defeased								
3 Total proceeds of issue	68,400,000.		11,275,000.					
4 Gross proceeds in reserve funds	4,710,502.		1,097,744.					
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows	496,240.		112,393.					
7 Issuance costs from proceeds	195,080.							
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds	62,998,175.							
11 Other spent proceeds			10,064,863.					
12 Other unspent proceeds								
13 Year of substantial completion	2008		2010					
14 Were the bonds issued as part of a current refunding issue?	X		X					
15 Were the bonds issued as part of an advance refunding issue?	X		X					
16 Has the final allocation of proceeds been made?	X		X					
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	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						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						

	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							
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							
c Are there any research agreements that may result in private business use of bond-financed property?		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?								
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		.00		%		%		%
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		.00		%		%		%
6 Total of lines 4 and 5		.00		%		%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

	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				
2 Is the bond issue a variable rate issue?	X			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 superintergrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a guaranteed investment contract (GIC)?	X			X				
b Name of provider		Pallas Capital Corp						
c Term of GIC		2,500,000						
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		X				
6 Did the bond issue qualify for an exception to rebata?		X		X				

**Part V Procedures To Undertake Corrective Action**  
 Check the box if 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 Part VI Supplemental Explanation sheet

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

Schedule K, Part I, Bond Issues:

(a) Issuer Name: Maine Health and Higher Educational

(f) Description of Purpose: Construction of Fore River Hospital

Schedule K, Supplemental Information: Part III, Line 3a: The Company has entered into various management and service contracts. Collectively, these contracts do not constitute an amount of private business use that exceeds the prescribed percentage.



**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Maine Surgical Group	Paul Bloch, MD, Boa	32,260.	Payment for		X
William Demicco, MD	William Demicco, MD	274,991.	Dr. Demicco		X
UNUM	Joseph R. Foley, Boa	120,227.	Mercy Hospi		X
Yvonne Bonney Mina	Thimi Mina, Board M	157,049.	Mr. Thimi M		X
Sysco North New England	Gregory Otterbein,	624,027.	Mercy Hospi		X
Maine Cardiology Associate	Jeffrey Rosenblatt,	119,193.	Payment for		X

**Part V Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

Sch L, Part IV, Business Transactions Involving Interested Persons:

(a) Name of Person: Maine Surgical Group

(b) Relationship Between Interested Person and Organization:

Paul Bloch, MD, Board Member(d) Description of Transaction: Payment for physician services relatedto vascular services to Maine Surgical Care Group, where Dr. Paul Bloch is a partner.(a) Name of Person: William Demicco, MD

(b) Relationship Between Interested Person and Organization:

William Demicco, MD, Board Member(d) Description of Transaction: Dr. Demicco is a Mercy Hospital employedPulmonologist and is paid for his work as a physician.(a) Name of Person: UNUM

(b) Relationship Between Interested Person and Organization:

Joseph R Foley, Board Member(d) Description of Transaction: Mercy Hospital purchases LTC insurancefrom UNUM, where Mr. Foley is an executive and an officer.

**Part V** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

(a) Name of Person: Yvonne Bonney Mina

(b) Relationship Between Interested Person and Organization:

Thimi Mina, Board Member

(d) Description of Transaction: Mr. Thimi Mina, a Board Member of Mercy Hospital, is married to Ms. Yvonne Bonney Mina, an employee of Mercy Hospital who was paid a salary for her work as a CRNA in 2011.

(a) Name of Person: Sysco North New England

(b) Relationship Between Interested Person and Organization:

Gregory Otterbein, Board Member

(d) Description of Transaction: Mercy Hospital purchases food services from Sysco North New England, where Mr. Otterbein is President.

(a) Name of Person: Maine Cardiology Associates

(b) Relationship Between Interested Person and Organization:

Jeffrey Rosenblatt, MD, Board Member (Former)

(d) Description of Transaction: Payment for physician services related to cardiology services to Maine Cardiology Associates, where Dr. Jeffrey Rosenblatt is a partner.

**SCHEDULE M  
(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2011**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.  
▶ Attach to Form 990.

Name of the organization **Mercy Hospital** Employer identification number **01-0211534**

Part I	Types of Property	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	11	25,234.	Cost or selling price
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other (Other: )	X	1	5,000.	Cost or selling price
26	Other ( )				
27	Other ( )				
28	Other ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29** **0**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

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

Schedule M (Form 990) (2011)

132141  
01-23-12

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

OMB No. 1545-0047

**2011**  
Open to Public  
Inspection

Name of the organization

Mercy Hospital

Employer identification number  
01-0211534

Form 990, Part I, Line 1, Description of Organization Mission:

compassionate healthcare for all, with special concern for the poor and  
disadvantaged.

Form 990, Part VI, Section A, line 2: Mr. Joe Gray and Mr. Jon Jennings  
are members of the Board of Directors/Trustees of Mercy Health System of  
Maine (MHSM) and Mercy Hospital. Mr. Jennings is a key investor in the  
Thompson's Point Project in Portland, a \$100 million complex (convention  
center hotel, parking garage, etc.). Mr. Gray is a consultant for the  
Thompson's Point Project. MHSM and Mercy Hospital are not parties to this  
transaction.

Form 990, Part VI, Section A, line 6: Mercy Health System of Maine (MHSM)  
is the sole Member of Mercy Hospital.

Form 990, Part VI, Section A, line 7a: Mercy Health System of Maine (MHSM)  
is the sole Member of Mercy Hospital. MHSM approves all members of the  
Board of Trustees of Mercy Hospital.

Form 990, Part VI, Section A, line 7b: MHSM has reserved powers in the  
following areas:

- changes in articles of incorporation;
- in Key and non-Key Bylaws Provisions, appoint and remove Trustees;
- approve philosophy and mission, strategic plan, operating plan and  
budget;
- significant financial transactions, significant budget variances and

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

Schedule O (Form 990 or 990-EZ) (2011)

132211  
01-23-12

Name of the organization

Mercy Hospital

Employer identification number

01-0211534

- establishment or dissolution of organizational relationships.

Form 990, Part VI, Section B, line 11: The Board of Directors/Trustees received education about the revised Form 990 during the October Board meeting. The Board discussed significant issues included in the draft Form 990 for Mercy Health System of Maine, MHSM, and for Mercy Hospital during this meeting. The Finance and Audit Committee of MHSM received education about the revised Form 990 at the September Committee meeting and reviewed the Form 990 for MHSM and Mercy Hospital at the October Committee meeting. The Finance Committee approved Form 990 for MHSM and Mercy Hospital for submission to the IRS during the October Finance Committee meeting.

Form 990, Part VI, Section B, Line 12c: Mercy Hospital Attachment A to the Bylaws sets forth the organization's conflict of interest policy and processes. Annually, all those serving Mercy Hospital in a fiduciary capacity, including directors, trustees, officers, non-Board committee members and key employees receive a copy of the policy and annual disclosure statement to be completed. Disclosures of financial interest or other reportable circumstances as defined in the policy are submitted and reviewed by the organization's Chairman of the Board and Compliance Officer. Summary information is reported to the Governance Committee and entire Board. This is available to the Board throughout the year as business comes before the Board or management for action. The policy contains a continuing affirmative obligation on all affected individuals to disclose compensation or other circumstances throughout the year which may rise to the level of an actual or apparent conflict. The determination of whether a disclosed financial or other interest constitutes a conflict of interest is made by the Board or an appropriate committee thereof comprised

Name of the organization

Mercy Hospital

Employer identification number

01-0211534

of dis-interested persons and without the participation of the affected individual except to respond to questions about the disclosure. The policy further addresses the procedure for the Board's further consideration of the proposed transaction/matter without the participation of the affected person and the documentation of the proceedings. Lastly, the policy addresses potential disciplinary action for violations of the policy. The policy is available to the public upon request.

Form 990, Part VI, Section B, Line 15: Mercy Hospital's process for determining compensation includes the following: The Board has an independent committee review and approve all elements of remuneration for all disqualified parties, as well as other key management. The Board/committee has an established compensation philosophy which details the objectives of market positioning and pay elements. The committee engages with external consultants to provide market data comparing Mercy Hospital roles to similarly sized health systems utilizing both title and job content comparisons. The committee reviews the market analysis, approves any salary adjustments for the executive and employed physician populations, considers both reasonableness and effectiveness of all remunerative programs and establishes the performance expectations which are incorporated into the incentive plan. All of these discussions and decisions are documented through the provision of meeting minutes.

Form 990, Part VI, Section C, Line 19: Organizational Articles of Incorporation, Corporate Bylaws, governance policies, conflict of interest policy and audited financial statements are available upon request. IRS Form 990 is posted on the Mercy Hospital website.

Name of the organization Mercy Hospital	Employer identification number 01-0211534
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## Form 990, Part VII:

Average hours devoted to related organization(s) when related compensation individuals compensated by a related organization have responsibilities and perform services for Mercy Hospital and Mercy Health System. The amount of compensation appearing in Columns (E) and (F) reflect the services performed for the entire health system as a whole and not merely a single organization within the health system.

## Form 990, Part XI, line 5, Changes in Net Assets:

Net unrealized losses on investments:	-2,087,863.
Transfers to/from Affiliates	647,797.
Total to Form 990, Part XI, Line 5	-1,440,066.

## Form 990, Part XII, Line 2a &amp; 2b:

## Explanation of financial statements:

Financial statements were audited on a consolidated basis.

## Form 990, Part XII, Line 3B:

## Explanation of required audits not obtained:

At the time of filing, the required A-133 audit has not been performed. Catholic Health East is coordinating the scheduling of this audit for all of its members and will have them completed by the required due dates.

Disclosure Statement Related to Form 5471 Filed by Catholic Health East and Saint Michael's Medical Center

Name of the organization Mercy Hospital	Employer identification number 01-0211534
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Under the constructive ownership rule of Internal Revenue Code Sections 318(a) and 958(b), the organization is required to file Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations, as a Category 4 and/or Category 5 filer with respect to Stella Maris Insurance Company Limited and Chestnut Risk Services, LTD (collectively, the "foreign corporations"). This filing requirement is, or will be, satisfied through the filing of Forms 5471 with respect to the foreign corporations on the organization's behalf by the U.S. organizations identified below.

Foreign Corporation: Stella Maris Insurance Company

U.S. Organization: Catholic Health East

Address: 3805 West Chester Pike, Suite 100, Newtown Square,  
Pennsylvania 19073

Identifying Number of U.S. Tax Return with Which Form 5471 was filed:

23-2929748

IRS Service Center Where U.S. Return Was Filed: Ogden, UT

Foreign Corporation: Chestnut Risk Services, LTD

U.S. Organization: Saint Michael's Medical Center

Address: 111 Central Avenue, Newark, New Jersey 07102

Identifying Number of U.S. Tax Return with Which Form 5471 was filed:

26-2616046

IRS Service Center Where U.S. Return Was Filed: Ogden, UT



Mercy Hospital

Schedule R (Form 990)

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
St. Peter's Health Care Services - 22-2712507, 315 South Manning Blvd, Albany, NY 12208	Management & Support Services	New York	501(c)(3)	Line 9	St. Peter's Health Partners		X
St. Peter's Hospital - 14-1348692 315 South Manning Blvd Albany, NY 12208	Hospital	New York	501(c)(3)	Line 3	St. Peter's Health Care Services		X
St. Peter's Hospital Foundation, Inc - 22-2262982, 319 South Manning Blvd, Suite 309, Albany, NY 12208	Fundraising & Public Relations	New York	501(c)(3)	Line 7	St. Peter's Health Care Services		X
Eddy Licensed Home Care Agency - 14-1818568 433 River St Suite 3000 Troy, NY 12180	Home Health	New York	501(c)(3)	Line 3	LTC(Eddy), Inc.		X
The Community Hospice Foundation, Inc - 22-2692940, 295 Valley View Blvd, Rensselaer, NY 12144	Fundraising & Public Relations	New York	501(c)(3)	Line 7	The Community Hospice, Inc		X
The Community Hospice, Inc - 14-1608921 295 Valley View Blvd Rensselaer, NY 12144	Serving seriously ill people & their families	New York	501(c)(3)	Line 3	St. Peter's Health Care Services		X
Villa Mary Immaculate - 14-1438749 301 Hackett Blvd Albany, NY 12208	Nursing Home & Physical Rehab	New York	501(c)(3)	Line 3	St. Peter's Hospital		X
Warde Service Corporation, Inc - 14-1732097 159 Wolf Road, 3rd Floor Albany, NY 12205	Supporting & strengthening the ministries of rel. sr. mercy	New York	501(c)(3)	Line 9	St. Peter's Health Care Services		X
Mercy Care for Kids, Inc - 14-1717564 310 South Manning Blvd Albany, NY 12208	Day care center	New York	501(c)(3)	Line 9	St. Peter's Health Care Services		X
Our Lady of Mercy Life Center - 14-1743506 2 Mercy Lane Guilderland, NY 12084	Nursing Home Facility	New York	501(c)(3)	Line 3	St. Peter's Health Care Services		X
St. Peter's Auxiliary - 22-2843206 315 South Manning Blvd Albany, NY 12228	Auxiliary	New York	501(c)(3)	Line 11a, I	St. Peter's Health Care Services		X
Memorial Hospital, Albany, N.Y. - 14-1338457 600 Northern Blvd. Albany, NY 12204	General Hospital	New York	501(c)(3)	Line 3	Northeast Health, Inc.		X

## Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Beechwood, Inc. - 14-1651563 2212 Burdett Ave. Troy, NY 12180	Real estate holding	New York	501(c)(2)	N/A	LTC (Eddy), Inc.		X
Beverwyck, Inc. - 14-1717028 40 Autumn Drive Slingerlands, NY 12159	Independent/Assisted Living Retirement Community	New York	501(c)(3)	Line 9	LTC (Eddy), Inc.		X
Capital Region Geriatric Center, Inc. - 14-1701597, 421 West Columbia St., Cohoes, NY 12047	Nursing Home	New York	501(c)(3)	Line 9	LTC (Eddy), Inc.		X
Senior Care Connection, Inc. - 14-1708754 504 State St. Schenectady, NY 12305	PACE Program	New York	501(c)(3)	Line 9	LTC (Eddy), Inc.		X
Glen Eddy, Inc. - 14-1794150 One Glen Eddy Drive Niskayuna, NY 12309	Independent/Assisted Living Community	New York	501(c)(3)	Line 9	LTC (Eddy), Inc.		X
Hawthorne Ridge, Inc. - 80-0102840 30 Community Way East Greenbush, NY 12061	Independent/Assisted Living Retirement Community	New York	501(c)(3)	Line 9	LTC (Eddy), Inc.		X
Heritage House Nursing Center, Inc. - 14-1725101, 2920 Tibbits Ave, Troy, NY 12180	Nursing home	New York	501(c)(3)	Line 9	LTC (Eddy), Inc.		X
Home Aid Service of Eastern New York Inc - 14-1514867, 433 River St Suite 3000, Troy, NY 12180	Home care	New York	501(c)(3)	Line 9	LTC (Eddy), Inc.		X
James A. Eddy Memorial Geriatric Center, Inc. - 22-2570478, 2255 Burdett Ave., Troy, NY 12180	Nursing home	New York	501(c)(3)	Line 9	LTC (Eddy), Inc.		X
LTC (Eddy), Inc. - 22-2564710 2212 Burdett Ave. Troy, NY 12180	Elderly health/housing supporting org	New York	501(c)(3)	Line 1a, I	Northeast Health, Inc.		X
The Marjorie Doyle Rockwell Center, Inc. - 14-1793885, 421 West Columbia St., Cohoes, NY 12047	Adult Home/Alzheimers	New York	501(c)(3)	Line 9	LTC (Eddy), Inc.		X
Samaritan Hospital of Troy, New York - 14-1338544, 2215 Burdett Ave., Troy, NY 12180	General hospital	New York	501(c)(3)	Line 3	Northeast Health, Inc.		X

Schedule R (Form 990) **Mercy Hospital**

**Part II** Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(3) controlled organization?	
						Yes	No
Shaker Properties, Inc - 22-3119822 2212 Burdett Ave. Troy, NY 12180	Real Estate holding	New York	501(c)(2)	N/A	Northeast Health, Inc.		X
Sunnyview Hospital & Rehabilitation Ctr - 14-1338386, 1270 Belmont Ave., Schenectady, NY 12308	Rehabilitation hospital	New York	501(c)(3)	Line 3	LTC (Eddy), Inc.		X
Empire Home Infusion Service Inc. - 14-1795732, 10 Blacksmith Drive, Malta, NY 12020	Home care	New York	501(c)(3)	Line 9	Home Aid Service of Eastern New York Inc		X
Samaritan Child Care Center, Inc. - 14-1710225, 2213 Burdett Ave., Troy, NY 12180	Child day care	New York	501(c)(3)	Line 9	Northeast Health, Inc.		X
The Northeast Health Foundation, Inc. - 22-2743478, 2224 Burdett Ave., Troy, NY 12180	Supporting foundation	New York	501(c)(3)	Line 7	Northeast Health, Inc.		X
Northeast Health, Inc. - 04-2450756 2212 Burdett Ave. Troy, NY 12180	Supporting Organization	New York	501(c)(3)	Line 11b, II	St. Peter's Health Partners		X
Seton Health System, Inc. - 14-1776186 1300 Massachusetts Avenue Troy, NY 12180	Hospital	New York	501(c)(3)	Line 3	St. Peter's Health Partners		X
Seton Auxiliary, Inc. - 14-1505031 1300 Massachusetts Avenue Troy, NY 12180	Supporting Organization	New York	501(c)(3)	Line 9	Seton Health System, Inc.		X
Seton Health at Schuyler Ridge Residential Healthcare - 14-1756230, 1 Abele Blvd., Clifton Park, NY 12065	Skilled Nursing	New York	501(c)(3)	Line 9	Seton Health System, Inc.		X
Seton Health Foundation - 22-2345416 1300 Massachusetts Avenue Troy, NY 12180	Supporting Organization	New York	501(c)(3)	Line 11a, I	Seton Health System, Inc.		X
Seton Licensed Home Care, Inc. - 14-1809134 1300 Massachusetts Avenue Troy, NY 12180	Licensed Home Health Agency	New York	501(c)(3)	Line 3	Seton Health System, Inc.		X
Vincentian Health Services - 14-1685163 1300 Massachusetts Avenue Troy, NY 12180	Discontinued Operations	New York	501(c)(3)	Line 11a, I	Seton Health System, Inc.		X

Schedule R (Form 990) **Mercy Hospital**

**Part II** Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
St. Mary's Woodland Village, Inc. - 14-1675183, 1300 Massachusetts Avenue, Troy, NY 12180	Discontinued Operations	New York	501(c)(3)	Line 9	Seton Health System, Inc.		X
Brightside, Inc - 04-2182395 c/o SPHS, 1221 Main Street, Suite 108 Holyoke, MA 01040	Behavioral Care	Massachusetts	501(c)(3)	Line 9	Sisters of Providence Health System Inc.		X
Farren Care Center, Inc - 04-2501711 c/o SPHS, 1221 Main Street, Suite 108 Holyoke, MA 01040	Long Term Care	Massachusetts	501(c)(3)	Line 3	Sisters of Providence Health System Inc.		X
Mercy Hospital, Inc - 04-3398280 c/o SPHS, 1221 Main Street, Suite 108 Holyoke, MA 01040	Acute Care	Massachusetts	501(c)(3)	Line 3	Sisters of Providence Health System Inc.		X
Mercy Specialist Physicians, Inc. - 26-4033168, c/o SPHS 1221 Main Street, No. 108, Holyoke, MA 01040	Neurosurgery Medical Services	Massachusetts	501(c)(3)	Line 3	Sisters of Providence Health System Inc.		X
Sisters of Providence Care Centers Inc. - 22-2541103, c/o SPHS, 1221 Main Street, Suite 108, Holyoke, MA 01040	Long Term Care	Massachusetts	501(c)(3)	Line 3	Sisters of Providence Health System Inc.		X
Sisters of Providence Health System Inc. - 04-3398374, c/o SPHS, 1221 Main Street, Suite 108, Holyoke, MA 01040	Management & Support Services	Massachusetts	501(c)(3)	Line 11a, I	Catholic Health East		X
McAuley Center Inc. - 06-1058086 275 Steele Road West Hartford, CT 06117	Independent Living	Connecticut	501(c)(3)	Line 9	Mercy Community Health Inc		X
Mercy Community Health Inc - 06-1492707 2021 Albany Avenue West Hartford, CT 06117	Management & Support Services	Connecticut	501(c)(3)	Line 11a, I	Catholic Health East		X
Mercy Community HomeCare Services - 06-1488137, 2021 Albany Avenue, West Hartford, CT 06117	In Home Health Care	Connecticut	501(c)(3)	Line 9	Mercy Community Health Inc		X
Mercy Services - 06-1453323 2021 Albany Avenue West Hartford, CT 06117	Support Services	Connecticut	501(c)(3)	Line 1	Mercy Community Health Inc		X
Mercyknoll Inc - 06-0757380 2021 Albany Avenue West Hartford, CT 06117	Skilled Nursing	Connecticut	501(c)(3)	Line 3	Mercy Community Health Inc		X

Schedule R (Form 990) **Mercy Hospital**

**Part II** Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Saint Mary Home II, Inc - 06-1164104 2021 Albany Avenue West Hartford, CT 06117	Elderly Care	Connecticut	501(c)(3)	Line 3	Mercy Community Health Inc		X
St Mary Home Incorporated - 06-0646843 2021 Albany Avenue West Hartford, CT 06117	Skilled Nursing	Connecticut	501(c)(3)	Line 3	Mercy Community Health Inc		X
Mercy Healthcare Center - 15-0532211 114 Wawbeek Avenue Tupper Lake, NY 12986	Hospital	New York	501(c)(3)	Line 3	Catholic Health East		X
Mercy Uihlein Health Corporation - 16-1535133, 185 Old Military Road, Lake Placid, NY 12946	Hospital	New York	501(c)(3)	Line 11b, II	Mercy Healthcare Center		X
Uihlein Mercy Center - 15-0532190 185 Old Military Road Lake Placid, NY 12946	Hospital	New York	501(c)(3)	Line 3	Mercy Healthcare Center		X
St. James Mercy Foundation, Inc. - 16-1486437, 411 Canistee Street, Hornell, NY 14843	Foundation	New York	501(c)(3)	Line 7	St. James Mercy Health System, Inc.		X
St. James Mercy Health System, Inc. - 22-3127184, 411 Canistee Street, Hornell, NY 14843	Management & Support Services	New York	501(c)(3)	Line 11b, II	Catholic Health East		X
St. James Mercy Hospital - 16-0743310 411 Canistee Street Hornell, NY 14843	Hospital	New York	501(c)(3)	Line 3	St. James Mercy Health System, Inc.		X
Marian Community Hospital - 24-0711230 100 Lincoln Avenue Carbondale, PA 18407	Hospital	Pennsylvania	501(c)(3)	Line 3	Maxis Health System		X
Marian Community Hospital Auxiliary - 25-1874733, 100 Lincoln Avenue, Carbondale, PA 18407	Fundraising	Pennsylvania	501(c)(3)	Line 11b, II	Maxis Health System		X
Maxis Foundation - 23-2330090 100 Lincoln Avenue Carbondale, PA 18407	Fundraising	Pennsylvania	501(c)(3)	Line 11b, II	Maxis Health System		X
Maxis Health System - 91-1940902 100 Lincoln Avenue Carbondale, PA 18407	Health Care System	Pennsylvania	501(c)(3)	Line 11b, II	Catholic Health East		X

Schedule R (Form 990) **Mercy Hospital**

**Part II** Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(9))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Maxis Medical Services - 23-2577185 100 Lincoln Avenue Carbondale, PA 18407	Physician Practices	Pennsylvania	501(c)(3)	Line 3	Maxis Health System		X
Tri-County Human Services Center, Inc. - 23-1938528, P.O. Box 517, Carbondale, PA 18407	Behavioral Health Organization	Pennsylvania	501(c)(3)	Line 7	Maxis Health System		X
Columbus Acquisition Corp - 26-2616342 1160 Raymond Boulevard Newark, NJ 07102	Inactive Entity	New Jersey	501(c)(3)	Line 9	Saint Michaels Medical Center		X
Saint Michaels Medical Center - 26-2616046 111 Central Avenue Newark, NJ 07102	Hospital	New Jersey	501(c)(3)	Line 3	Catholic Health East		X
St. James Care Inc. - 26-2616230 1160 Raymond Boulevard Newark, NJ 07102	Inactive Entity	New Jersey	501(c)(3)	Line 9	Saint Michaels Medical Center		X
St. Michaels Medical Center Foundation - 22-3311976, 1160 Raymond Boulevard, Newark, NJ 07102	Foundation	New Jersey	501(c)(3)	Line 11a, I	Saint Michaels Medical Center		X
University Heights Property Company, Inc. - 22-3100162, 1160 Raymond Boulevard, Newark, NJ 07102	Medical Property Holding Company	New Jersey	501(c)(2)	N/A	Saint Michaels Medical Center		X
Life St. Francis Corporation - 22-2797282 601 Hamilton Avenue Trenton, NJ 08629	Health Services	New Jersey	501(c)(3)	Line 11a, I	St. Francis Medical Center Trenton NJ		X
St. Francis Medical Center Foundation NJ - 52-1025476, 601 Hamilton Avenue, Trenton, NJ 08629	Foundation	New Jersey	501(c)(3)	Line 11a, I	St. Francis Medical Center Trenton NJ		X
St. Francis Medical Center Trenton NJ - 22-3431049, 601 Hamilton Avenue, Trenton, NJ 08629	Hospital	New Jersey	501(c)(3)	Line 3	Catholic Health East		X
Langhorne MRI, Inc - 23-2519529 1201 Langhorne-Newtown Road Langhorne, PA 19047	Inactive Entity	Pennsylvania	501(c)(3)	Line 9	St. Mary Medical Center		X
Langhorne Physician Services, Inc. - 23-2571699, 1201 Langhorne-Newtown Road, Langhorne, PA 19047	Physician Services	Pennsylvania	501(c)(3)	Line 9	St. Mary Medical Center		X

Schedule R (Form 990) **Mercy Hospital**

**Part II** Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
LIFE St. Mary - 26-2976184 1201 Langhorne-Newton Road Langhorne, PA 19047	Elderly Care	Pennsylvania	501(c)(3)	Line 9	St. Mary Medical Center		X
St. Mary Medical Center - 23-1913910 1201 Langhorne-Newton Road Langhorne, PA 19047	Hospital	Pennsylvania	501(c)(3)	Line 3	Catholic Health East		X
St. Mary Medical Center Foundation, Inc - 23-2567468, 1201 Langhorne-Newton Road, Langhorne, PA 19047	Foundation	Pennsylvania	501(c)(3)	Line 7	St. Mary Medical Center		X
East Norriton Physician Services - 23-2515999, c/o One West Elm Street, Conshohocken, PA 19428	Physician Services	Pennsylvania	501(c)(3)	Line 3	Mercy Health System of Southeastern		X
Mercy Catholic Medical Center of Southeastern Pennsylvania - 23-1352191, One West Elm Street, Conshohocken, PA 19428	Acute Care Hospital	Pennsylvania	501(c)(3)	Line 3	Mercy Health System of Southeastern		X
Mercy Family Support - 23-2325059 1001 Baltimore Pike, Suite 301 Springfield, PA 19064	Home Health	Pennsylvania	501(c)(3)	Line 9	Mercy Health System of Southeastern		X
Mercy Health Foundation of Southeastern Pennsylvania - 23-2829864, c/o MHS, One West Elm Street, Conshohocken, PA 19428	Fundraising	Pennsylvania	501(c)(3)	Line 11b, II	Mercy Health System of Southeastern		X
Mercy Health Plan - 22-2483605 c/o One West Elm Street Conshohocken, PA 19428	Health Plans	Pennsylvania	501(c)(3)	Line 11b, II	Mercy Health System of Southeastern		X
Mercy Health System of Southeastern Pennsylvania - 23-2212638, One West Elm Street, Conshohocken, PA 19428	Management & Support Services	Pennsylvania	501(c)(3)	Line 11b, II	Catholic Health East		X
Mercy Home Health - 23-1952099 1001 Baltimore Pike, Suite 310 Springfield, PA 19064	Home Health	Pennsylvania	501(c)(3)	Line 9	Mercy Health System of Southeastern		X
Mercy Home Health Services - 23-2325058 1001 Baltimore Pike, Suite 301 Springfield, PA 19064	Home Health	Pennsylvania	501(c)(3)	Line 11b, II	Mercy Health System of Southeastern		X
Mercy Management of Southeastern Pennsylvania - 23-2627944, One West Elm Street, Conshohocken, PA 19428	Physician Practices	Pennsylvania	501(c)(3)	Line 11b, II	Mercy Health System of Southeastern		X

Schedule R (Form 990) **Mercy Hospital**

**Part II** Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Mercy Suburban Hospital - 23-1396763 One West Elm Street Conshohocken, PA 19428	Acute Care Hospital	Pennsylvania	501(c)(3)	Line 3	Mercy Health System of Southeastern		X
Nazareth Health Care Foundation - 23-2300951 2701 Holme Avenue Philadelphia, PA 19152	Fundraising	Pennsylvania	501(c)(3)	Line 11b, II	Mercy Health System of Southeastern		X
Nazareth Hospital - 23-2794121 2601 Holme Avenue Philadelphia, PA 19152	Acute Care Hospital	Pennsylvania	501(c)(3)	Line 3	Mercy Health System of Southeastern		X
Nazareth Physician Services, Inc. - 20-3261266, 2601 Holme Avenue, Philadelphia, PA 19152	Physician Practices	Pennsylvania	501(c)(3)	Line 3	Mercy Health System of Southeastern		X
NE Physician Services - 23-2497355 2601 Holme Avenue Philadelphia, PA 19152	Physician Practices	Pennsylvania	501(c)(3)	Line 3	Mercy Health System of Southeastern		X
St. Agnes Continuing Care Center - 23-2840137, 1900 S. Broad Street, Philadelphia, PA 19145	Continuing Care Services	Pennsylvania	501(c)(3)	Line 3	Mercy Health System of Southeastern		X
St. Agnes Continuing Care Center Foundation - 23-2415137, 1900 S. Broad Street, Philadelphia, PA 19145	Fundraising	Pennsylvania	501(c)(3)	Line 11b, II	Mercy Health System of Southeastern		X
Life at Lourdes Inc. - 26-1854750 1600 Haddon Avenue Camden, NJ 08108	Elderly Care	New Jersey	501(c)(3)	Line 3	Our Lady of Lourdes Health Care Services		X
Lourdes Ancillary Services - 22-2568525 1600 Haddon Avenue Camden, NJ 08103	Supporting Organization	New Jersey	501(c)(3)	Line 11b, II	Our Lady of Lourdes Health Care Services		X
Lourdes Dialysis at Innova, Inc. - 26-3237625, 1600 Haddon Avenue, Camden, NJ 08108	Hospital	New Jersey	501(c)(3)	Line 3	Our Lady of Lourdes Health Care Services		X
Lourdes Medical Center Burlington County - 22-3612265, 218 Sunset Road, Willingboro, NJ 08046	Hospital	New Jersey	501(c)(3)	Line 3	Our Lady of Lourdes Health Care Services		X
Our Lady of Lourdes Health Care Services - 22-2568528, 1600 Haddon Avenue, Camden, NJ 08103	Management & Support Services	New Jersey	501(c)(3)	Line 11b, II	Catholic Health East		X

**Part II** Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Our Lady of Lourdes Health Foundation, Inc - 22-2351960, 1600 Haddon Avenue, Camden, NJ 08103	Foundation	New Jersey	501(c)(3)	Line 7	Our Lady of Lourdes Health Care Services	X	
Our Lady of Lourdes Medical Center - 21-0635001, 1600 Haddon Avenue, Camden, NJ 08103	Hospital	New Jersey	501(c)(3)	Line 3	Our lady of Lourdes Health Care Services	X	
Franciscan Eldercare Corporation - 22-3008690, P.O. Box 2500, Wilmington, DE 19805	Eldercare	Delaware	501(c)(3)	Line 9	St. Francis Hospital	X	
St. Francis Foundation - 51-0374158 P.O. Box 2500 Wilmington, DE 19805	Foundation	Delaware	501(c)(3)	Line 1b, II	St. Francis Hospital	X	
St. Francis Hospital - 51-0064326 P.O. Box 2500 Wilmington, DE 19805	Hospital	Delaware	501(c)(3)	Line 3	Catholic Health East	X	
LIFE at St. Francis Healthcare, Inc. - 45-2569214, 7th & Clayton Streets, Wilmington, DE 19805	Elderly Care	Delaware	501(c)(3)	Line 3	St. Francis Hospital	X	
McAuley Ministries - 94-3436142 McAuley Hall 3333 Fifth Avenue Pittsburgh, PA 15213	Management & Support Services	Pennsylvania	501(c)(3)	Line 9	Pittsburgh Mercy Health System	X	
Mercy Jeannette Hospital - 25-1310602 3805 West Chester Pike Newtown Square, PA 19073	Inactive Entity	Pennsylvania	501(c)(3)	Line 9	Pittsburgh Mercy Health System	X	
Mercy Life Center Corporation - 25-1604115 1200 Reedsdale Street Pittsburgh, PA 15233	Community Treatment	Pennsylvania	501(c)(3)	Line 9	Pittsburgh Mercy Health System	X	
Pittsburgh Mercy Health System - 25-1464211 3333 5th Avenue Pittsburgh, PA 15213	Management & Support Services	Pennsylvania	501(c)(3)	Line 11b, II	Catholic Health East	X	
St. Joseph's of the Pines, Inc - 56-0694200 100 Gossman Drive, Suite B Southern Pines, NC 28387	Hospital	North Carolina	501(c)(3)	Line 3	Catholic Health East	X	
Life St. Joseph of the Pines, Inc. - 27-2159847, 100 Gossman Drive, Suite B, Southern Pines, NC 28387	Healthcare Services	North Carolina	501(c)(3)	Line 3	St. Joseph's of the Pines, Inc.	X	

**Part II** Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(3) controlled organization?	
						Yes	No
Mercy Senior Care, Inc. - 58-1366508 212 West Third Street, P.O. Box 866 Rome, GA 30162	Community Outreach	Georgia	501(c)(3)	Line 7	Saint Joseph's Health System, Inc		X
Good Samaritan Hospital, Inc. - 26-1720984 1201 Silbeam Road Greensboro, GA 30462	Hospital	Georgia	501(c)(3)	Line 3	Saint Joseph's Health System, Inc		X
Saint Joseph's Health System, Inc - 58-1744848, 5673 Peachtree-Dunwoody Road, Suite 550, Atlanta, GA 30342	Management & Support Services	Georgia	501(c)(3)	Line 11b, II	Catholic Health East		X
Saint Joseph's Mercy Care Services, Inc. - 58-1752700, 5673 Peachtree-Dunwoody Road, Suite 550, Atlanta, GA 30342	Community Outreach	Georgia	501(c)(3)	Line 7	Saint Joseph's Health System, Inc		X
Saint Joseph's Mercy Foundation, Inc. - 58-1448522, 5673 Peachtree-Dunwoody Road, Suite 550, Atlanta, GA 30342	Fundraising	Georgia	501(c)(3)	Line 11b, II	Saint Joseph's Health System, Inc		X
Mercy Services Downtown, Inc. - 27-2046353 5673 Peachtree-Dunwoody Road, Suite 550 Atlanta, GA 30342	Real Estate Holding Company	Georgia	501(c)(3)	Line 11b, II	Saint Joseph's Health System, Inc		X
St Mary's Health Care System, Inc. - 58-0566223, 1230 Baxter Street, Athens, GA 30606	Hospital	Georgia	501(c)(3)	Line 3	Catholic Health East		X
St Mary's Foundation, Inc. - 58-2544232 1230 Baxter Street Athens, GA 30606	Fundraising	Georgia	501(c)(3)	Line 11b, II	St Mary's Health Care System, Inc.		X
St Mary's Highland Hills Inc - 02-0576648 1230 Baxter Street Athens, GA 30606	Assisted Living & Retirement Community	Georgia	501(c)(3)	Line 3	St Mary's Health Care System, Inc.		X
St. Mary's Medical Group Inc - 26-1858563 1230 Baxter Street Athens, GA 30606	Hospital / Physician Services	Georgia	501(c)(3)	Line 3	St Mary's Health Care System, Inc.		X
Mercy Medical Corporation - 63-6002215 P.O. Box 1090, 101 Villa Drive Daphne, AL 36526	Hospital	Alabama	501(c)(3)	Line 3	Catholic Health East		X
Mercy LIFE of Alabama - 27-3163002 P.O. Box 1090, 101 Villa Drive Daphne, AL 36526	Hospital	Alabama	501(c)(3)	Line 3	Mercy Medical Corporation		X

## Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Allegany Franciscan Ministries, Inc. - 58-1492325, 33920 U.S. Highway 19 North Suite 269, Palm Harbor, FL 34684	Management & Support Services	Florida	501(c)(3)	Line 11b, II	Catholic Health East		X
St. Francis Hospital, Inc - 59-0624442 33920 U.S. Highway 19 North Suite 269 Palm Harbor, FL 34684	Hospital	Florida	501(c)(3)	Line 11a, I	Allegany Franciscan Ministries, Inc.		X
Holy Cross Hospital, Inc. - 59-0791028 4725 North Federal Highway Ft. Lauderdale, FL 33308	Hospital	Florida	501(c)(3)	Line 3	Catholic Health East		X
Holy Cross Long-Term, Inc - 65-0787320 4725 North Federal Highway Ft. Lauderdale, FL 33308	Medical Services	Florida	501(c)(3)	Line 3	Holy Cross Hospital, Inc.		X
Holy Cross Medical Properties, Inc. - 65-0666283, 4725 North Federal Highway, Ft. Lauderdale, FL 33308	Medical Building Real Estate Management	Florida	501(c)(2)	N/A	Holy Cross Hospital, Inc.		X
Mercy Hospital Foundation, Inc. - 59-1709438 3663 South Miami Avenue Miami, FL 33133	Fundraising	Florida	501(c)(3)	Line 7	Mercy Hospital, Inc.		X
Mercy Hospital, Inc. - 59-0791034 3663 South Miami Avenue Miami, FL 33133	Hospital	Florida	501(c)(3)	Line 3	Catholic Health East		X
Mercy Medical Development, Inc. - 59-2789194 3663 South Miami Avenue Miami, FL 33133	Outpatient Services	Florida	501(c)(3)	Line 9	Mercy Hospital, Inc.		X
Mercy Mission Services, Inc. - 65-0435764 3663 South Miami Avenue Miami, FL 33133	Health Care	Florida	501(c)(3)	Line 11a, I	Mercy Hospital, Inc.		X
Mercy Outpatient Services, Inc. DBA Sister Emmanuel Hospital - 51-0467511, 3663 South Miami Avenue, Miami, FL 33133	Hospital	Florida	501(c)(3)	Line 3	Mercy Hospital, Inc.		X
Global Health Ministry - 23-3068656 3805 West Chester Pike, Suite 100 Newtown Square, PA 19073	Health Care	Pennsylvania	501(c)(3)	Line 7	Catholic Health East		X
VNA Home Health & Hospice - 01-0246804 50 Foden Road South Portland, ME 04106	Home Health & Hospice	Maine	501(c)(3)	Line 11a, I	Mercy Health System of Maine		X



## Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	(k) Percentage ownership
							Yes	No			
Mercy/Manor Partnership - 52-1931012, PO Box 10086, Toledo, OH 43699-0086	Nursing Home	PA	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A
St. Agnes Long Term Intensive Care, LLP - 20-0984882, 1900 S. Broad Street, Philadelphia, PA 19145	Long Term Intensive Care	PA	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A
Nazareth Medical Office Building Associates, LP - 23-2388040, c/o Nazareth Hospital, 2601 Holme Ave, Nazareth Medical Office Building Associates, LP - 23-2388040, c/o Nazareth Hospital, 2601 Holme Ave, St. Agnes Long Term Intensive Care, LLP - 20-0984882, 1900 S. Broad Street, Philadelphia, PA 19145	Medical Office Building	PA	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A
SJV Management LLC - 20-2273476, 200 Century Fwy Ste 200E, Mount Laurel, NJ 08054	Long Term Intensive Care	PA	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A
Physicians Outpatient Surgery Center, LLC - 35-2325646, 1000 NE 56th, Oakland Park, FL 33334	Radiology Ambulatory Surgery Center	NJ	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A
Center for Surgery & Digestive Orders - 51-0438152, 3641 South Miami Avenue, Miami, FL 33133	Outpatient Medical Services	FL	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A

**Part IV** Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Shares of end-of-year assets	(h) Percentage ownership
Providence Home Care, Inc. - 04-3317426 c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 01040-0000	Health Care Services	MA	N/A	C CORP	N/A	N/A	N/A
System Coordinated Services, Inc. - 04-2938181 c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 01040-0000	Lab Services	MA	N/A	C CORP	N/A	N/A	N/A
Physicians Medical Office Building Condominium Trust - 04-6508649, 1221 Main Street, Room 108, Holyoke, MA 01040-0000	Property Management	MA	N/A	C CORP	N/A	N/A	N/A
SJM Properties, Inc. - 16-1294991 411 Canisteo Street Kornell, NY 14848-2104	Property Holdings	NY	N/A	C CORP	N/A	N/A	N/A
Carbondale Area Physicians' Association, P.C. - 23-2801677, 100 Lincoln Ave, Carbondale, PA 18407	Medical Insurance Contracting	PA	N/A	C CORP	N/A	N/A	N/A
Carbondale Area Physicians' PC, Inc. - 23-2801676 100 Lincoln Ave Carbondale, PA 18407	Inactive	PA	N/A	C CORP	N/A	N/A	N/A
Carbondale Physicians' Services, Inc. - 23-2365077 100 Lincoln Ave Carbondale, PA 18407	Pharmacy	PA	N/A	C CORP	N/A	N/A	N/A
Chestnut Risk Services, Ltd 11 Victoria Street Hamilton, BERMUDA	Insurance	Bermuda	N/A	C CORP	N/A	N/A	N/A
LifeCare Physicians PC - 26-1649038 601 Hamilton Avenue Trenton, NJ 08629-1986	Health Care Services	NJ	N/A	C CORP	N/A	N/A	N/A
Multicare Plus, Inc. - 22-3435844 601 Hamilton Avenue Trenton, NJ 08629-1986	Inactive	NJ	N/A	C CORP	N/A	N/A	N/A
Langhorne Services II, Inc. - 25-3795549 1201 Langhorne-Newton Road Langhorne, PA 19047-0000	General Partner of LMOB Partners, II	PA	N/A	C CORP	N/A	N/A	N/A
Langhorne Services, Inc. - 23-2625981 1201 Langhorne-Newton Road Langhorne, PA 19047-0000	General Partner of LMOB Partners	PA	N/A	C CORP	N/A	N/A	N/A



**Part VII** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

**Part II, Identification of Related Tax-Exempt Organizations:**

Name of Related Organization:

East Norriton Physician Services

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

Mercy Catholic Medical Center of Southeastern Pennsylvania

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

Mercy Family Support

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

Mercy Health Foundation of Southeastern Pennsylvania

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

Mercy Health Plan

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

132165  
01-23-12

**Part VII** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Mercy Home Health

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

Mercy Home Health Services

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

Mercy Management of Southeastern Pennsylvania

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

Mercy Suburban Hospital

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

Nazareth Health Care Foundation

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

Nazareth Hospital

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

**Part VII** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Name of Related Organization:

Nazareth Physician Services, Inc.

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

NE Physician Services

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

St. Agnes Continuing Care Center

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

St. Agnes Continuing Care Center Foundation

Direct Controlling Entity: Mercy Health System of Southeastern

Pennsylvania

Name of Related Organization:

Sunnyview Hospital & Rehabilitation Center Foundation

Direct Controlling Entity: Sunnyview Hospital & Rehabilitation Ctr

Part III, Identification of Related Organizations Taxable as Partnership:

Name, Address, and EIN of Related Organization:

132155  
01-23-12

**Part VII** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

St. Peter's Ambulatory Surgery Center, LLC

EIN: 46-0463892

1375 Washington Avenue, Ste. 201

Albany, NY 12206

Name, Address, and EIN of Related Organization:

Catherine Horan Building Limited Partnership

EIN: 04-2723429

1221 Main Street, Room 108

Holyoke, MA 01040-0000

Name, Address, and EIN of Related Organization:

Western Massachusetts PETCT Imaging Center, LLC

EIN: 20-4744663

100 Bayview Circle, Ste 400

Newport Beach, CA 92660

Name, Address, and EIN of Related Organization:

The Ambulatory Surgery Center at St. Mary, LLC

EIN: 23-2871206

1203 Langhorne-Newton Road

Langhorne, PA 19047

Name of Related Organization:

Gateway Health Plan

Primary Activity: Medicaid & Medicare/Special Needs Managed Care

Organization

**Part VII** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Name of Related Organization:

Mercy/Manor Partnership

Direct Controlling Entity: Mercy Management of Southeastern Pennsylvania

Name of Related Organization:

St. Agnes Long Term Intensive Care, LLP

Direct Controlling Entity: Mercy Management of Southeastern Pennsylvania

Name, Address, and EIN of Related Organization:

Nazareth Medical Office Building Associates, LP

EIN: 23-2388040

c/o Nazareth Hospital, 2601 Holme Ave

Philadelphia, PA 19152

Name, Address, and EIN of Related Organization:

Nazareth Medical Office Building Associates, LP

EIN: 23-2388040

c/o Nazareth Hospital, 2601 Holme Ave

Philadelphia, PA 19152

Part IV, Identification of Related Organizations Taxable as Corp or Trust:

Name of Related Organization:

Physicians Medical Office Building Condominium Trust

Direct Controlling Entity: Sisters of Providence Health System Inc.

Name of Related Organization:

Chestnut Risk Services, Ltd

132165  
01-23-12

**Part VII** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Direct Controlling Entity: Saint Michael's Medical Center, Inc.

Name, Address, and EIN of Related Organization:

Stella Maris Insurance Company, Limited

EIN: 98-0078266

P.O. Box 69

Grand Cayman, Cayman Islands, CAYMAN ISLANDS KY1-1102

Name of Related Organization:

Catholic Health East Senior Services

Direct Controlling Entity: Continuing Care Management Services Network

Form 990

Reasonable Cause for Late Filing

Statement 1

The organization timely filed a request for an additional three month extension to November 15, 2012, but the IRS approval letter for the "Application for Extension of Time to File an Exempt Organization Return" had the extended due date to file as August 15, 2012. The August 15, 2012, date appears to be an IRS error.