

Form **8453-EO****Exempt Organization Declaration and Signature for  
Electronic Filing**

OMB No. 1545-1879

For calendar year 2011, or tax year beginning 10/01/11, and ending 09/30/12**2011**

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

▶ See instructions on back.

Department of the Treasury  
Internal Revenue Service

Name of exempt organization

Employer identification number

**MILES MEMORIAL HOSPITAL****01-0211796****Part I Type of Return and Return Information (Whole Dollars Only)**

Check the box for the type of return being filed with Form 8453-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a below and the amount on that line of the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b <u>60,317,021</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance due (Form 8868, Part I, line 3c or Part II, line 8c)	5b _____

**Part II Declaration of Officer**

6  I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2011 electronic return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund.

Sign  
Here


Signature of officer

08/07/2013  
Date

CHIEF FINANCIAL OFFICER  
Title

**Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)**

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 4163, Modernized e-File (MeF) information for Authorized IRS e-file Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's signature	Date	Check if also paid preparer <input type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's SSN or PTIN
Use Only	Firm's name (or yours if self-employed), address, and ZIP code	MaineHealth 110 Free St Portland ME 04101-3908		EIN 207-661-7110

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶ MaineHealth		07/24/13		
	Firm's address ▶ 110 Free St Portland ME 04101-3908				Firm's EIN ▶ 207-661-7110

For Privacy Act and Paperwork Reduction Act Notice, see back of form.

Form **8453-EO** (2011)

Form **990**

Department of the Treasury  
Internal Revenue Service

**Return of Organization Exempt From Income Tax**

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

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

OMB No. 1545-0047

**2011**

Open to Public Inspection

**A** For the 2011 calendar year, or tax year beginning **10/01/11**, and ending **09/30/12**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>MILES MEMORIAL HOSPITAL</b>		<b>D</b> Employer identification number <b>01-0211796</b>
	Doing Business As		<b>E</b> Telephone number <b>207-563-1234</b>
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>G</b> Gross receipts \$ <b>62,189,030</b>
	<b>35 MILES STREET</b>		
City or town, state or country, and ZIP + 4 <b>DAMARISCOTTA ME 04543</b>		<b>F</b> Name and address of principal officer: <b>Wayne Printy, CFO</b> <b>35 Miles Street</b> <b>Damariscotta ME 04543</b>	
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
<b>J</b> Website: <b>WWW.ICHCARE.ORG</b>		<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other <input type="checkbox"/>	
		<b>L</b> Year of formation: <b>1929</b>	<b>M</b> State of legal domicile: <b>ME</b>
		<b>H(c)</b> Group exemption number	

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>See Schedule O</b>	
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b> <b>20</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b> <b>14</b>
	<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a)	<b>5</b> <b>475</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b> <b>112</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b> <b>0</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b> <b>0</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	Prior Year: <b>382,378</b> Current Year: <b>764,303</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>58,722,394</b> <b>57,772,048</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>382,585</b> <b>205,395</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>466,415</b> <b>1,575,275</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>59,953,772</b> <b>60,317,021</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>0</b> <b>0</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>0</b> <b>0</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>18,763,729</b> <b>18,938,587</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>0</b> <b>0</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) <b>163,971</b>	
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>38,077,137</b> <b>38,718,365</b>
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>56,840,866</b> <b>57,656,952</b>
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>3,112,906</b> <b>2,660,069</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	Beginning of Current Year: <b>46,957,977</b> End of Year: <b>45,396,300</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>11,276,778</b> <b>10,851,019</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>35,681,199</b> <b>34,545,281</b>

**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.

<b>Sign Here</b>	Signature of officer 	Date <b>08/07/2012</b>			
	<b>WAYNE PRINTY</b> Type or print name and title	<b>CHIEF FINANCIAL OFFICER</b>			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>MaineHealth</b>	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name <b>110 Free St</b>	Firm's EIN			
	Firm's address <b>Portland, ME 04101-3908</b>	Phone no. <b>207-661-7110</b>			

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

For Paperwork Reduction Act Notice, see the separate instructions.

**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:

**See Schedule O**

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

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

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

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

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

4a (Code: ) (Expenses \$ **30,668,709** including grants of \$ ) (Revenue \$ **43,879,968** )

**Hospital Operations:**

Miles Memorial Hospital is a 38 bed Sole Community Hospital. The hospital operations provide acute, rehabilitative, obstetrics and intensive care in its inpatient setting. Outpatient services include Emergency Care, General and Orthopedic Surgery, Physical Therapy, Occupational Therapy, Speech Therapy, Cardiopulmonary Services, Diagnostic Imaging, Laboratory, and Pharmacy services. Please refer to the attached statistics and community benefits statement for a more detailed description of its programs.

4b (Code: ) (Expenses \$ **17,920,565** including grants of \$ ) (Revenue \$ **13,892,082** )

**Physician Services:**

Miles Memorial Hospital, dba Lincoln Medical Partners (LMP), is a multi-specialty physician practice with offices in Boothbay Harbor, Damariscotta, Waldoboro and Wiscasset. LMP specialties include Anesthesiology, Emergency Medicine, Family Medicine, Internal Medicine, General Surgery, Orthopaedics, Obstetrics and Gynecology, and Pediatrics.

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

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

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

4e Total program service expenses **48,589,274**

**Part IV Checklist of Required Schedules**

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

**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 1? 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 <b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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 <b>Section 501(c)(3) organizations.</b> 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? <b>Note.</b> All Form 990 filers are required to complete Schedule O	X	

**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
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
<b>2a</b>	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		
<b>2b</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	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
<b>4b</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.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>5c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
<b>6a</b>	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
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7a</b>	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>7b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>7d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
<b>7e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>7g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>7h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8</b>	<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?		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966?		
<b>9b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12		
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>11a</b>	Gross income from members or shareholders		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>13a</b>	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.		
<b>13b</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		
<b>13c</b>	Enter the amount of reserves on hand		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?		X
<b>14b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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

**Section A. Governing Body and Management**

		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.		
	1a	20	
b	Enter the number of voting members included in line 1a, above, who are independent		
	1b	14	
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?		
10b			
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	
12c		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	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

**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: ► **CHIEF FINANCIAL OFFICER** **35 MILES STREET**  
**DAMARISCOTTA** **ME 04543**

**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 organizations 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) GARTH MILLER, M.D. TRUSTEE	0.40	X						0	420,694	27,799
(2) MARK FOURRE, M.D. SECRETARY	0.40	X		X				0	280,228	27,235
(3) ROBERT MCARTOR, M.D. TRUSTEE	0.40	X						0	159,100	40,540
(4) DANIEL FRIEDLAND, M.D. TRUSTEE	0.40	X						0	159,013	25,611
(5) ALAN BARKER, M.D. TRUSTEE	0.40	X						0	150,029	21,410
(6) STEVEN FEDER, D.O. TRUSTEE	0.40	X						0	144,016	21,523
(7) NORMAN HOCHGRAF TRUSTEE	0.40	X						0	0	0
(8) WILLIAM LOGAN TRUSTEE	0.40	X						0	0	0
(9) PATRICK LYDON TREASURER	0.40	X		X				0	0	0
(10) BARBARA MITCHELL TRUSTEE	0.40	X						0	0	0
(11) LESLIE BIRD TRUSTEE	0.40	X						0	0	0
(12) PETER MUNDY CHAIRMAN	0.40	X		X				0	0	0
(13) MICHAEL CLARK, M.D. TRUSTEE	0.40	X						0	0	0
(14) JAMES COSGROVE TRUSTEE	0.40	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			
(15) JEFFREY CURTIS VICE CHAIRMAN	0.40	X		X				0	0	0
(16) CATHERINE GREGG TRUSTEE	0.40	X						0	0	0
(17) JAMES HUNT TRUSTEE	0.40	X						0	0	0
(18) JANE HURD TRUSTEE	0.40	X						0	0	0
(19) JANE G. SMITH TRUSTEE	0.40	X						0	0	0
(20) REV. DR. MARY JO ZIMMERLI TRUSTEE	0.40	X						0	0	0
(21) JAMES DONOVAN CEO	3.00			X				0	307,799	28,573
(22) WAYNE PRINTY CFO	3.00			X				0	184,899	25,862
(23) THOMAS RODRIGUES PHARMACIST	50.00					X		126,620	0	17,073
(24) KAREN PHILBRICK PHARMACY DIR	50.00					X		113,816	0	20,534
(25) BRENT PETERS PHARMACIST	50.00					X		108,207	0	19,476
<b>1b Sub-total</b>								<b>348,643</b>	<b>1,805,778</b>	<b>275,636</b>
<b>c Total from continuation sheets to Part VII, Section A</b>								<b>103,050</b>		<b>6,024</b>
<b>d Total (add lines 1b and 1c)</b>								<b>451,693</b>	<b>1,805,778</b>	<b>281,660</b>

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

	Yes	No
<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		<b>X</b>
<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	<b>X</b>	
<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		<b>X</b>

**Section B. Independent Contractors**

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

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

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **▶ 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			
(15) <b>KAREN HOWELL MANAGER, SURGICAL</b>	<b>50.00</b>					<b>X</b>		<b>103,050</b>	<b>0</b>	<b>6,024</b>
(16) .....										
(17) .....										
(18) .....										
(19) .....										
(20) .....										
(21) .....										
(22) .....										
(23) .....										
(24) .....										
(25) .....										
<b>1b Sub-total</b> .....								<b>103,050</b>		<b>6,024</b>
<b>c Total from continuation sheets to Part VII, Section A</b> .....										
<b>d Total (add lines 1b and 1c)</b> .....										

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

	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		
<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		
<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		

**Section B. Independent Contractors**

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

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

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

**Part VIII Statement of Revenue**

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns	<b>1a</b>					
	<b>b</b> Membership dues	<b>1b</b>					
	<b>c</b> Fundraising events	<b>1c</b>					
	<b>d</b> Related organizations	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b>	2,543				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	761,760				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$						
	<b>h Total. Add lines 1a-1f</b>		<b>764,303</b>				
<b>Program Service Revenue</b>	<b>2a</b> Net Patient Service Revenue	Busn. Code 623000	57,772,048	57,772,048			
	<b>b</b>						
	<b>c</b>						
	<b>d</b>						
	<b>e</b>						
	<b>f</b> All other program service revenue						
	<b>g Total. Add lines 2a-2f</b>		<b>57,772,048</b>				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)		127,882			127,882	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6a</b> Gross rents	(i) Real					
		(ii) Personal					
	<b>b</b> Less: rental exps.						
	<b>c</b> Rental inc. or (loss)						
	<b>d</b> Net rental income or (loss)						
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	1,937,170				
		(ii) Other	12,352				
	<b>b</b> Less: cost or other basis & sales exps.		1,848,211	23,798			
	<b>c</b> Gain or (loss)		88,959	-11,446			
	<b>d</b> Net gain or (loss)		77,513	77,513			
	<b>8a</b> Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	<b>a</b>					
	<b>b</b> Less: direct expenses	<b>b</b>					
<b>c</b> Net income or (loss) from fundraising events							
<b>9a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>						
<b>b</b> Less: direct expenses	<b>b</b>						
<b>c</b> Net income or (loss) from gaming activities							
<b>10a</b> Gross sales of inventory, less returns and allowances	<b>a</b>						
<b>b</b> Less: cost of goods sold	<b>b</b>						
<b>c</b> Net income or (loss) from sales of inventory							
<b>Miscellaneous Revenue</b>	<b>11a</b> MISCELLANEOUS	Busn. Code 900099	1,575,275	1,575,275			
	<b>b</b>						
	<b>c</b>						
	<b>d</b> All other revenue						
	<b>e Total. Add lines 11a-11d</b>		<b>1,575,275</b>				
<b>12 Total revenue. See instructions.</b>		<b>60,317,021</b>	<b>59,424,836</b>	<b>0</b>	<b>127,882</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 U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	14,448,207	12,628,020	1,820,187	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	386,600	340,208	46,392	
9 Other employee benefits	3,042,773	2,677,640	365,133	
10 Payroll taxes	1,061,007	933,686	127,321	
11 Fees for services (non-employees):				
a Management				
b Legal	4,227		4,227	
c Accounting	507,711		507,711	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	24,790,224	19,146,647	5,479,606	163,971
12 Advertising and promotion	25,448	23,133	2,315	
13 Office expenses	5,053,697	4,740,975	312,722	
14 Information technology	23,025	164	22,861	
15 Royalties				
16 Occupancy	1,083,229	1,083,229		
17 Travel	43,441	28,496	14,945	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	230,161	230,094	67	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,746,503	1,717,357	29,146	
23 Insurance	108,596	108,596		
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 DEBTS</b>	2,796,536	2,796,536		
b <b>STATE TAXES</b>	1,409,302	1,409,302		
c <b>MISCELLANEOUS</b>	421,407	374,318	47,089	
d <b>FOOD COSTS</b>	337,709	333,160	4,549	
e All other expenses	137,149	17,713	119,436	
25 <b>Total functional expenses.</b> Add lines 1 through 24e	57,656,952	48,589,274	8,903,707	163,971
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

		(A)		(B)
		Beginning of year		End of year
<b>Assets</b>	1 Cash—non-interest bearing	243,407	1	76,744
	2 Savings and temporary cash investments	425,698	2	896,864
	3 Pledges and grants receivable, net	29,261	3	5,068
	4 Accounts receivable, net	8,843,206	4	6,371,900
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net	152,734	7	65,964
	8 Inventories for sale or use	1,241,345	8	1,365,086
	9 Prepaid expenses and deferred charges	161,592	9	225,856
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 42,522,942		
	b Less: accumulated depreciation	10b 25,719,679	10c 17,606,650	16,803,263
	11 Investments—publicly traded securities	4,230,374	11	5,164,250
	12 Investments—other securities. See Part IV, line 11	2,863,321	12	3,190,084
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	11,160,389	15	11,231,221
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	46,957,977	16	45,396,300	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	1,897,959	17	2,131,220
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	4,923,984	20	4,557,184
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	216,870	23	123,111
	24 Unsecured notes and loans payable to unrelated third parties	8,963	24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	4,229,002	25	4,039,504
	26 <b>Total liabilities.</b> Add lines 17 through 25	11,276,778	26	10,851,019
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	27 Unrestricted net assets	31,541,483	27	29,979,094
	28 Temporarily restricted net assets	224,293	28	263,756
	29 Permanently restricted net assets	3,915,423	29	4,302,431
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	35,681,199	33	34,545,281	
34 Total liabilities and net assets/fund balances	46,957,977	34	45,396,300	

**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	60,317,021
2	Total expenses (must equal Part IX, column (A), line 25)	2	57,656,952
3	Revenue less expenses. Subtract line 2 from line 1	3	2,660,069
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	35,681,199
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-3,795,987
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	34,545,281

**Part XII Financial Statements and Reporting**

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

- 1 Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant? \_\_\_\_\_
- b Were the organization's financial statements audited by an independent accountant? \_\_\_\_\_
- 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:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? \_\_\_\_\_
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits \_\_\_\_\_

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

**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

**MILES MEMORIAL HOSPITAL**

Employer identification number

**01-0211796**

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

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

- 1  A church, convention of churches, or association of churches 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?
  - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
  - (ii) A family member of a person described in (i) above?
  - (iii) A 35% controlled entity of a person described in (i) or (ii) above?

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in 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	
(A)									
(B)									
(C)									
(D)									
(E)									
<b>Total</b>									

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

Schedule A (Form 990 or 990-EZ) 2011

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 <b>Total.</b> Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 <b>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
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 <b>Total support.</b> Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 <b>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 <b>stop here</b> <input type="checkbox"/>						

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

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	%
16a <b>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 <b>stop here.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization <input type="checkbox"/>		
17a <b>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 <b>stop here.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
18 <b>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)**

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

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

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

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

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

- 19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization
- b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization
- 20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions



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

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2011**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527  
▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.  
▶ See separate instructions.

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

**MILES MEMORIAL HOSPITAL**

Employer identification number

**01-0211796**

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

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

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

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

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

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

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

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

- A** Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check  if the filing organization checked box A and "limited control" provisions apply.

**Limits on Lobbying Expenditures**  
(The term "expenditures" means amounts paid or incurred.)

	(a) Filing organization's totals	(b) Affiliated group totals												
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)														
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)														
<b>c</b> Total lobbying expenditures (add lines 1a and 1b)														
<b>d</b> Other exempt purpose expenditures														
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)														
<b>f</b> 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.													
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f)														
<b>h</b> Subtract line 1g from line 1a. If zero or less, enter -0-														
<b>i</b> Subtract line 1f from line 1c. If zero or less, enter -0-														
<b>j</b> 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
<b>2a</b> Lobbying nontaxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

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

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	
<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	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
<b>i</b> Other activities?	X		8,019
<b>j</b> Total. Add lines 1c through 1i			8,019
<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?		
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
<b>3</b> Did the organization agree to carry over lobbying and political expenditures from the prior year?		

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

<b>1</b> Dues, assessments and similar amounts from members	<b>1</b>	
<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	<b>2a</b>	
<b>b</b> Carryover from last year	<b>2b</b>	
<b>c</b> Total	<b>2c</b>	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	<b>3</b>	
<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?	<b>4</b>	
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)	<b>5</b>	

**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.

**Schedule C, Part II-B, Line 1**

**PERCENTAGE OF ANNUAL DUES ALLOCATED TOWARDS LOBBYING EXPENSES:**

**MAINE HOSPITAL ASSOCIATION: \$5,026**

**AMERICAN HOSPITAL ASSOCIATION: \$2,993**

**TOTAL LOBBYING EXPENSES: \$8,019**

**Part IV** Supplemental Information (continued)

Area with horizontal dotted lines for supplemental information.

**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

Employer identification number

**MILES MEMORIAL HOSPITAL**

**01-0211796**

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	5,499,122	5,655,928	5,313,331	5,415,439	
b Contributions	53,050	51,250	98,001	33,521	
c Net investment earnings, gains, and losses	626,618	-187,373	250,932	-129,650	
d Grants or scholarships					
e Other expenditures for facilities and programs	-6,341	-12,006			
f Administrative expenses	-7,700	-8,677	-6,336	-5,979	
g End of year balance	6,164,749	5,499,122	5,655,928	5,313,331	

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

- a Board designated or quasi-endowment ▶ 30.21 %
- b Permanent endowment ▶ 69.79 %
- 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:

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

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

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

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

**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		1,811,745		1,811,745
b Buildings		24,813,239	13,899,237	10,914,002
c Leasehold improvements		1,828,318	1,299,221	529,097
d Equipment		13,947,360	10,521,221	3,426,139
e Other		122,280		122,280
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				<b>16,803,263</b>

**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 <b>Beneficial Trust</b>	<b>3,190,084</b>	<b>Market</b>
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.)	<b>3,190,084</b>	

**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> (Column (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) <b>AR UNDER REIMBURSEMENT REGULATIONS</b>	<b>4,745,462</b>
(2) <b>DUE FROM RELATED PARTIES</b>	<b>4,200,307</b>
(3) <b>INVESTMENT IN LCH</b>	<b>1,275,000</b>
(4) <b>OTHER</b>	<b>703,325</b>
(5) <b>CSV LIFE INSURANCE</b>	<b>197,757</b>
(6) <b>DEFERRED CHARGES &amp; AMORTIZATION</b>	<b>95,381</b>
(7) <b>DUE FROM THIRD PARTIES</b>	<b>13,989</b>
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	<b>11,231,221</b>

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) <b>DUE TO RELATED PARTIES</b>	<b>3,516,096</b>
(3) <b>DEFERRED COMPENSATION LIABILITY</b>	<b>253,303</b>
(4) <b>MALPRACTICE INSURANCE</b>	<b>171,000</b>
(5) <b>FIN 47 ASSET RETIREMENT OBLIGATION</b>	<b>78,105</b>
(6) <b>OTHER LIABILITIES</b>	<b>21,000</b>
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	<b>4,039,504</b>

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

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

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

Endowment funds are used for hospital operations, an Annual Excellence Health Care Award is presented to an employee, charity care, and non-covered costs of managing a long-term illness.

**Part XIV** Supplemental Information (continued)

**SCHEDULE H  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Hospitals**

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

OMB No. 1545-0047

**2011**

Open to Public Inspection

Name of the organization

**MILES MEMORIAL HOSPITAL**

Employer identification number

**01-0211796**

**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>b</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 type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>175%</u>	<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 type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>225%</u>	<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," does 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.

**7 Financial Assistance and Certain Other Community Benefits at Cost**

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>a</b> Financial Assistance at cost (from Worksheet 1)			1,623,536		1,623,536	2.96
<b>b</b> Medicaid (from Worksheet 3, column a)			8,667,057	5,480,287	3,186,770	5.81
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d</b> Total Financial Assistance and Means-Tested Government Programs			10,290,593	5,480,287	4,810,306	8.77
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)			24,753	2,206	22,547	0.04
<b>f</b> Health professions education (from Worksheet 5)			15,868		15,868	0.03
<b>g</b> Subsidized health services (from Worksheet 6)			15,925,085	12,728,294	3,196,791	5.83
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)			10,657		10,657	0.02
<b>j</b> Total Other Benefits			15,976,363	12,730,500	3,245,863	5.92
<b>k</b> Total. Add lines 7d and 7j			26,266,956	18,210,787	8,056,169	14.69

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other			6,000		6,000	0.01
10 Total			6,000		6,000	0.01

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? **1** Yes **X** No

2 Enter the amount of the organization's bad debt expense **2** 1,402,687

3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy **3**

4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) **5** 12,702,272

6 Enter Medicare allowable costs of care relating to payments on line 5 **6** 13,272,562

7 Subtract line 6 from line 5. This is the surplus or (shortfall) **7** -570,290

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:

Cost accounting system  Cost to charge ratio  Other

**Section C. Collection Practices**

9a Did the organization have a written debt collection policy during the tax year? **9a** Yes **X** No

b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI **9b** Yes **X** No

**Part IV Management Companies and Joint Ventures (see instructions)**

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



**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

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

Name of Hospital Facility: Miles Memorial 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 If "Yes," indicate what the Needs Assessment describes (check all that apply):	1	
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	3	
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
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):	5	
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	7	
<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?	8	X
9	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care: <u>175</u> % If "No," explain in Part VI the criteria the hospital facility used.	9	X

**Part V Facility Information** (continued)

	Yes	No
<b>10</b> Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>225</u> % If "No," explain in Part VI the criteria the hospital facility used.	<b>X</b>	
<b>11</b> Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply): a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input checked="" type="checkbox"/> Other (describe in Part VI)	<b>X</b>	
<b>12</b> Explained the method for applying for financial assistance?	<b>X</b>	
<b>13</b> 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): a <input 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 checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available on request g <input type="checkbox"/> Other (describe in Part VI)	<b>X</b>	

**Billing and Collections**

<b>14</b> 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?	<b>X</b>	
<b>15</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the year before making reasonable efforts to determine the patient's eligibility under the facility's FAP: a <input checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)		
<b>16</b> 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: 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)		<b>X</b>
<b>17</b> Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply): a <input type="checkbox"/> Notified patients of the financial assistance policy on admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)		

**Part V Facility Information (continued)**

**Policy Relating to Emergency Medical Care**

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
18	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?

20	X	

If "Yes," explain in Part VI.

21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient?

21		X
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If "Yes," explain in Part VI.

**Part V Facility Information** (continued)**Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 10

Name and address	Type of Facility (describe)
1 Miles Memorial Hospital dba LMP General Surgery 5 Miles Center Way Damariscotta ME 04543	Outpatient Clinic
2 Miles Memorial Hospital dba LMP Orthopedics 5 Miles Center Way Damariscotta ME 04543	Outpatient Clinic
3 Miles Memorial Hospital dba The Family Care Center 14 St. Andrews Lane Boothbay Harbor ME 04538	Outpatient Clinic
4 Miles Memorial Hospital dba LMP Internal Medicine 5 Miles Center Way Damariscotta ME 04543	Outpatient Clinic
5 Miles Memorial Hospital dba LMP Family Medicine 230 Kaler's Corner Waldoboro ME 04572	Outpatient Clinic
6 Miles Memorial Hospital dba LMP Pediatrics 79 Schooner Street Damariscotta ME 04543	Outpatient Clinic
7 Miles Memorial Hospital dba LMP Family Medicine, Van Winkle Medical Building, 79 Schooner Stree Damariscotta ME 04543	Outpatient Clinic
8 Miles Memorial Hospital dba The Women's Center 24 Miles Center Way Damariscotta ME 04543	Outpatient Clinic
9 Miles Memorial Hospital dba LMP Family Medicine 49 Hooper Street Wiscasset ME 04578	Outpatient Clinic
10 Miles Memorial Hospital dba Lincoln Medical Partners 42 Belvedere Road Newcastle ME 04553	Administration

**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 7g - Subsidized Health Services Explanation**

Subsidized health services include School Based Health Centers where Lincoln County Health Care, Inc. (LCH) and its subsidiaries Miles Memorial Hospital (MMH) and St. Andrews Hospital (SAH) provide physicians or nurse practitioners to consult and provide services within the school. Clinics are also offered throughout the year to provide subsidized services such as mammography, blood pressure screenings, etc. to encourage its residents to obtain these health services. Physician practices offering services such as Family Medicine, Internal Medicine and Pediatrics operate at a loss in order to ensure healthcare for its community members regardless of their ability to pay.

\$3,196,791 (in 2011, \$3,480,394) of expenses related to outpatient clinics are included in the subsidized health services total in Part I, Line 7g.

Part I, Line 7, column (f) - Exclusions from Percent of Total Expense: Bad Debt expense of \$2,796,536 (in 2011, \$3,621,039) was removed from total expenses when calculating the percent of total expenses in column (f).

**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.

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**Part I, Line 7 - Costing Methodology Explanation**


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Charity Care and Means-Tested Government Programs utilize a cost to charge ratio in determining the cost of the actual Charity Care Write-Off. The cost to charge ratio is derived from the annual cost report submissions.

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**Part II - Community Building Activities**


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Lincoln County Healthcare, Inc. and its subsidiary hospital organizations Miles Memorial Hospital and St. Andrews Hospital partner with various community groups such as the Lincoln County Abuse Task Force and the Domestic Abuse Prevention Council to improve and protect the health of its community members. Meals are prepared by its staff as part of the local Meals on Wheels programs which delivers meals to the elderly population to assist with their nutritional needs. LCH participates in the community disaster training held on a regular basis throughout the county.

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**Part III, Line 4 - Bad Debt Explanation**


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From the LCH Audited Financial Statements: Charity Care and Bad Debts: MMH and SAH (the Hospitals) accept all patients regardless of their ability to

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**Part VI Supplemental Information**

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pay. A patient is classified as a charity patient by reference to certain established policies of the Hospitals. Essentially, these policies define charity care as those services for which limited or no payment is anticipated. In assessing a patient's ability to pay, the Hospitals utilize generally recognized poverty income levels. Charity Care is measured based on the Hospitals' established rates. The Hospitals utilize annual federal guidelines and adjust accounts for those whose income is 225% of the poverty level taking family size into consideration. The costs and expenses incurred in providing these services are included in operating expenses. Revenue for services rendered to individuals from who payment is expected and ultimately not received is written off and included as part of the allowance for bad debts. The costing methodology used in determining the amounts reported on Part III, Line 2 and 3 follow the Worksheets provided in the Schedule H Instructions and utilizes costs to charge information derived directly off the annual cost reports.

Bad debt expense represents healthcare services Miles Memorial Hospital has provided without compensation. As a tax-exempt hospital, MMH provides necessary patient care regardless of the patient's ability to pay for the

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services. A portion of MMH bad debt expense is attributable to patients eligible for financial assistance that, for a variety of reasons, do not complete the financial assistance application process. MMH cannot determine the amount of bad debt expense that could be reasonably attributable to patients who likely would qualify for financial assistance under the MMH free care policy. In addition, bad debt expense also includes amounts for services provided to individuals experiencing difficult personal or economic circumstances related to a portion of our community based patient population. Their medical bills often place these individuals in untenable positions where they are not able to handle their personal debt and their new medical debt. However, because of their income level, they do not qualify for free care. By providing necessary healthcare services to those individuals either who fail to apply for financial assistance or who are experiencing difficult personal or economic circumstances, MMH believes that bad debt expense should be included as a community benefit.

**Part III, Line 8 - Medicare Explanation**

Medicare allowable costs were calculated using a cost to charge ratio.

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MMH believes that the Medicare shortfall should be included as a community benefit because MMH has a clear mission commitment to serving elderly patients and adults with disabilities through the provision of specific subsidized programs developed to help improve the health status of these patients. If these critical subsidized programs were not improved by MMH, they would become the obligation of the Federal Government.

**Part III, Line 9b - Collection Practices Explanation**

Collection policy excerpt regarding self-pay accounts: For self-pay balances, payments must be arranged by the Financial Counselor or patient accounts staff using the following criteria:

\*Balances under \$100 - \$25/month minimum

\*Balances \$100-\$500 - \$50/month minimum

\*Balances over \$500 - \$100/month minimum

If the patient cannot meet the guidelines above, the financial counselor or patient accounts staff will request proof of income and reason why they

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cannot make regular payments. The patient will be offered financial assistance if criteria is met with Free Care guidelines and other assistance that is available. When it is determined that the guarantor cannot realistically meet the extended payment plan terms due to insufficient income, limited or negligible assets or other extenuating circumstances beyond the guarantor's control, the hospital may reduce the total indebtedness through Free Care.

\*Under the supervision of the Director of Patient Accounts, the Financial Counselors will follow the Free Care guidelines for approval of Free Care.

\*A Free Care write-off may be utilized only after all third party benefit possibilities have been exhausted, and when it is determined that no other hospital assistance programs or funds are applicable or available to the guarantor. Once approved, the hospital will allow full or partial adjustments on balances up to 225% of the Free Care guidelines set by the State of Maine.

Miles Memorial Hospital, Line Number 1 - Part V, Line 11h

Presumptive Eligibility - intended for those patients who never completed a

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Free Care application, but the Patient Accounts department has sufficient information to determine that the patient would qualify for Free Care if they applied. Examples include the following:

\*Patient is homeless, and did not complete an application

\*Patient is covered by an out of state Medicaid plan that the provider is not credentialed with, and the patient's balance does not justify completion of the burdensome paperwork associated with credentialing

\*Patient has been in the hospital without income for more than 3 months, and expires before an application can be completed

\*Patient is incarcerated

Consistent with the section on Medical Indigence, Presumptive Eligibility patients will be approved for adjustment by supervisory or management staff in the Patient Accounts Department, upon recommendation by collection or customer service staff.

Miles Memorial Hospital, Line Number 1 - Part V, Line 19d

The hospital facility used gross charges to calculate discounts. Items

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19a-c are being evaluated for which is most practicable for future implementation.

Miles Memorial Hospital, Line Number 1 - Part V, Line 20

The hospital bills all patients, insured or not, the same amount. Some insurance companies apply a negotiated discount against these billed amounts if paid per prompt payment terms. The net impact is that we accept lower payment for certain insurance contracts, Medicare and Medicaid, even though all are billed the same amount. We are currently planning to implement one of the methods described above in 19a-c for FAP-eligible individuals.

#### Needs Assessment

The health needs of the community are assessed by: utilizing the Maine State Health Plan and Assessment, community forums, involvement in community based health status improvement programs and in conjunction with MaineHealth (our health care system).

MaineHealth also participates in various initiatives to help support and

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provide updates to community needs assessment planning. Some of these initiatives include: Clinical Strategic Planning, Financial Strategic Planning, Facility Planning, Manpower Planning, Physician Recruitment Strategic Planning, Emergency Preparedness Planning.

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

In addition, MaineHealth and its partners in the OneMaine Health Collaborative, Eastern Maine Health System and MaineGeneral Health, released the OneMaine Health Community Health Needs Assessment Report in 2011. The report is a comprehensive compilation and analysis containing primary and secondary health data sources. The report contains a Health Status Profile for the state as a whole and for each of Maine's sixteen counties. The primary data source was a randomized telephone survey; the sampling methodology was designed to permit comparisons at the county level. Secondary data sources include numerous state and federal sources.

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This report provides baseline data on hundreds of health indicators that are relevant to hospitals and communities to inform planning and evaluation activities. Plans call for the Community Health Needs Assessment to be replicated every three years. MaineHealth holds community forums in partnership with each member and affiliate hospital in order to increase understanding and use of the Community Health Needs Assessment and to inform identification and action on local, community-based health priorities.

#### Patient Education of Eligibility for Assistance

Patients and other persons who are billed for patient care are informed about eligibility criteria for free care, governmental assistance (i.e. Medicaid) and other assistance programs. Such notification is accomplished in the following ways: all self-pay patients are provided a packet that describes available programs, eligibility and the application process; notifications are posted at numerous locations throughout the hospital in patient care areas, as well as the hospital entrance; inpatients without insurance receive financial counseling at which time financial assistance opportunities are discussed; Hospital staff will assist patients in the

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application process; patient bills and statements provide a telephone number to call for information about financial assistance programs and help in qualifying for them.

**Community Information**

Our service area is Lincoln County, Maine, which was incorporated June 19, 1760. Lincoln County contains 457 square miles of land, 451 miles of coastline, and six rivers. Marine interests such as commercial fishing, lobstering, clamming, eeling, boat building along with forestry and agriculture constituted the majority of our early economic base. In more recent times, service industries and tourism also serve as our economic base.

According to 2006-2008 American Community Survey of the U.S. Census Bureau, Lincoln County has a total population of 34,730. This population almost doubles in the summer, as we are a very busy tourist destination on the coast. Ten percent of our residents are below the poverty level. Maine has the third highest percentage of residents over 65, 15.6% versus 12.9% nationally. Within Maine, Lincoln County has the highest percentage of

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residents over 65 - 20.0%. Lincoln County also has a higher median age (45.6 vs. 36.7) than in the United States. As compared to the United States (65.2%), a smaller percent of residents at least 16 years of age are in the labor force (64.2%). Lincoln County is an economically poor county. The U.S. Department of Labor reports that the weekly wage in Lincoln County during the third quarter of 2009 was only \$542 as compared to the average weekly wage of \$840 in the United States. In fact, Lincoln County has the second lowest weekly wage of all counties in Maine. These population and economic data point out the dependence of Miles Memorial Hospital on Medicare and Medicaid and explain the large amount of uncompensated care provided.

St. Andrews Hospital is a Critical Access Hospital located in Boothbay Harbor. It is the only other hospital in Lincoln County. The provision of care to Lincoln County residents is coordinated between Miles and St. Andrews and they share common governance, management and administrative services in an effort to control costs.

Portions of Lincoln County have been designated as medically underserved.

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### Health of Community in Relation to Exempt Purpose

The tax exempt purpose of the organization to improve the health of the community is promoted and enhanced in the following ways:

\*The majority of the governing body is composed of persons living within the hospital service area that are neither employed by nor have contractual relationships with, the hospital or its affiliates.

\*Medical staff privileges are available to all qualified physicians in the community.

\*Solicitation of community input in the strategic planning process.

\*Common governance of the hospitals, long-term care, home health, Hospice and physician services provided in the county to promote common health care and improvement planning and control costs.

\*Voluntary cap on Income from Operations to restrain prices and to fund health care and health improvement activities.

\*Surplus funds are reinvested in capital equipment and improvements to ensure high quality care.

\*Each year a portion of Retained Earnings are distributed to our parent, MaineHealth, for the specific purpose of health status improvement programs throughout the MaineHealth service area.

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**Affiliated Health Care Information**


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The hospital is part of Lincoln County Health Care, Inc. which includes the following services provided in Lincoln County: a critical access hospital, a sole community provider hospital, two nursing facilities, two assisted living facilities, two dementia care facilities, Rural Health Clinics at several sites, general surgery practice, orthopedic surgery practice, OB/GYN physician practice, pediatrics, home health care and Hospice. Lincoln County Health Care (LCH), in turn, is part of the MaineHealth system.

The ability to improve health care and the health status in Lincoln County is enhanced by the common governance, management and administration of these diverse health care services. The system's coordinated approach to the following enhances the resources that can be allocated to direct patient care and health status improvement: accounting, analysis and budgeting; patient billing; medical records; Supply Chain Management/Purchasing; Human Resources; Information Services; Medical Staff; Education (Community & Staff); Shared Clinical Department Management

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(Hospitals).

The system approach provides a more "holistic" approach to community needs assessment and to the implementation of programs to improve community health. Strategic planning and budgeting can better allocate resources across the spectrum of care to achieve better overall outcomes.

MaineHealth is a not-for-profit family of leading high-quality providers and other healthcare organizations working together so their communities are the healthiest in America. Ranked among the nations top 100 integrated healthcare delivery networks, MaineHealth is governed by a board of trustees consisting of community and business leaders from its southern, central and western Maine regional service areas.

The collaboration of MaineHealth members makes it possible to offer an extensive range of clinical integration and community health programs, many aimed at improving access to preventive and primary care services.

MaineHealth includes the following member organizations: Lincoln County Health Care (Miles Memorial Hospital and St. Andrews Hospital), Maine

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Medical Center, Maine Mental Health Partners (Spring Harbor Hospital), Pen  
Bay Healthcare (Pen Bay Medical Center), Southern Maine Medical Center,  
Waldo County Healthcare (Waldo County General Hospital), Western Maine  
Health (Stephens Memorial Hospital), HomeHealth Visiting Nurses, Maine  
Physician Hospital Organization, NorDx, and Synernet. Affiliates of  
MaineHealth include MaineGeneral Medical Center, Mid Coast Hospital, New  
England Rehabilitation Hospital, and St. Mary's Regional Medical Center.

List of States Where Community Benefit Report is Filed

Maine

Additional Information

A community benefit report is only filed in Maine. The community benefit  
report is contained within the report prepared by Lincoln County Health  
Care, Inc. See Schedule O.

Additional Information

Part I, Line 3b

Eligibility for free or discounted care is based on income criteria as

**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.

outlined below:

175% FPL - 100% Write-off

200% FPL - 50% Write-off

225% FPL - 25% Write-off

% Federal Poverty Levels (FPL) take into account family size. No asset test, or other criteria is evaluated for eligibility. These levels surpass the minimum state requirements for free care eligibility at 150% of FPL.

**SCHEDULE J**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**Compensation Information**

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2011**

Open to Public Inspection

**MILES MEMORIAL HOSPITAL**

Employer identification number

**01-0211796**

**Part I Questions Regarding Compensation**

	Yes	No								
<p><b>1a</b> 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.</p> <table border="0"> <tr> <td><input type="checkbox"/> First-class or charter travel</td> <td><input type="checkbox"/> Housing allowance or residence for personal use</td> </tr> <tr> <td><input type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input type="checkbox"/> Tax indemnification and gross-up payments</td> <td><input type="checkbox"/> Health or social club dues or initiation fees</td> </tr> <tr> <td><input type="checkbox"/> Discretionary spending account</td> <td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td> </tr> </table>	<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use	<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence	<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees	<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use									
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence									
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees									
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)									
<p><b>b</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</p>										
<p><b>2</b> 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?</p>										
<p><b>3</b> Indicate which, if any, of the following the filing organization uses 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.</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Compensation committee</td> <td><input type="checkbox"/> Written employment contract</td> </tr> <tr> <td><input checked="" type="checkbox"/> Independent compensation consultant</td> <td><input checked="" type="checkbox"/> Compensation survey or study</td> </tr> <tr> <td><input type="checkbox"/> Form 990 of other organizations</td> <td><input checked="" type="checkbox"/> Approval by the board or compensation committee</td> </tr> </table>	<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract	<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study	<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee				
<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract									
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study									
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee									
<p><b>4</b> 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:</p> <p><b>a</b> Receive a severance payment or change-of-control payment?</p> <p><b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p> <p><b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.</p>										
<p><b>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.</b></p> <p><b>5</b> 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:</p> <p><b>a</b> The organization?</p> <p><b>b</b> Any related organization?</p> <p>If "Yes" to line 5a or 5b, describe in Part III.</p>										
<p><b>6</b> 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:</p> <p><b>a</b> The organization?</p> <p><b>b</b> Any related organization?</p> <p>If "Yes" to line 6a or 6b, describe in Part III.</p>										
<p><b>7</b> 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</p>										
<p><b>8</b> 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</p>										
<p><b>9</b> If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>										

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	GARTH MILLER, M.D.	(i) 0	0	0	0	0	0	0
		(ii) 331,848	0	88,846	7,259	20,540	448,493	0
2	MARK FOURRE, M.D.	(i) 0	0	0	0	0	0	0
		(ii) 280,228	0	0	7,963	19,272	307,463	0
3	ROBERT MCARTOR, M.D.	(i) 0	0	0	0	0	0	0
		(ii) 137,014	0	22,086	13,524	27,016	199,640	0
4	DANIEL FRIEDLAND, M.D.	(i) 0	0	0	0	0	0	0
		(ii) 126,608	0	32,405	5,453	20,158	184,624	0
5	ALAN BARKER, M.D.	(i) 0	0	0	0	0	0	0
		(ii) 146,696	0	3,333	4,288	17,122	171,439	0
6	STEVEN FEDER, D.O.	(i) 0	0	0	0	0	0	0
		(ii) 126,545	0	17,471	4,649	16,874	165,539	0
7	JAMES DONOVAN	(i) 0	0	0	0	0	0	0
		(ii) 236,314	45,000	26,485	7,963	20,610	336,372	0
8	WAYNE PRINTY	(i) 0	0	0	0	0	0	0
		(ii) 184,899	0	0	5,686	20,176	210,761	0
9		(i) 0	0	0	0	0	0	0
		(ii) 0	0	0	0	0	0	0
10		(i) 0	0	0	0	0	0	0
		(ii) 0	0	0	0	0	0	0
11		(i) 0	0	0	0	0	0	0
		(ii) 0	0	0	0	0	0	0
12		(i) 0	0	0	0	0	0	0
		(ii) 0	0	0	0	0	0	0
13		(i) 0	0	0	0	0	0	0
		(ii) 0	0	0	0	0	0	0
14		(i) 0	0	0	0	0	0	0
		(ii) 0	0	0	0	0	0	0
15		(i) 0	0	0	0	0	0	0
		(ii) 0	0	0	0	0	0	0
16		(i) 0	0	0	0	0	0	0
		(ii) 0	0	0	0	0	0	0

01-0211796

MILES MEMORIAL HOSPITAL

Schedule J (Form 990) 2011

**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 4 - Severance, Nonqualified, and Equity-Based Payments**

Severance      Nonqualified Equity-based

ROBERT MCARTOR, M.D.                      0              17,464              0

**Part III - Other Additional Information**

**Part I, Line 4:**

The nonqualified payments are from related organizations where the individual is employed.

**SCHEDULE K  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information on Tax-Exempt Bonds**

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

OMB No. 1545-0047

**2011**

Open to Public Inspection

Name of the organization

**MILES MEMORIAL HOSPITAL**

Employer identification number

**01-0211796**

**Part I Bond Issues**

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
<b>A MHHEFA REVENUE BONDS, SERIES 2011A</b>	<b>01-0314384</b>	<b>560427LW4</b>	<b>08/31/11</b>	<b>5,616,753</b>	<b>Refinance Bonds</b>		<b>X</b>				<b>X</b>
<b>B</b>											
<b>C</b>											
<b>D</b>											

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1. Amount of bonds retired		<b>345,000</b>						
2. Amount of bonds legally defeased								
3. Total proceeds of issue		<b>5,616,753</b>						
4. Gross proceeds in reserve funds		<b>665,458</b>						
5. Capitalized interest from proceeds								
6. Proceeds in refunding escrows		<b>64,425</b>						
7. Issuance costs from proceeds								
8. Credit enhancement from proceeds								
9. Working capital expenditures from proceeds								
10. Capital expenditures from proceeds								
11. Other spent proceeds		<b>5,552,328</b>						
12. Other unspent proceeds								
13. Year of substantial completion		<b>2002</b>						

14. Were the bonds issued as part of a current refunding issue?	<b>X</b>										
15. Were the bonds issued as part of an advance refunding issue?		<b>X</b>									
16. Has the final allocation of proceeds been made?	<b>X</b>										
17. Does the organization maintain adequate books and records to support the final allocation of proceeds?	<b>X</b>										

**Part III Private Business Use**

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

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

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a								
3b								
3c								
3d								
4		%				%		%
5		%				%		%
6		%				%		%
7								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1		X						
2	X							
3a		X						
b								
c								
d								
e								
4a		X						
b								
c								
d								
5		X						
6		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.

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

**SCHEDULE O**  
(Form 990 or 990-EZ)Department of the Treasury  
Internal Revenue Service

Name of the organization

**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**MILES MEMORIAL HOSPITAL**

Employer identification number

**01-0211796****Form 990 - Organization's Mission or Most Significant Activities**

Miles Memorial Hospital is dedicated to maintaining and improving the health of our communities by assuring: the very best, highest quality, and compassionate health care services from highly trained professionals; our services are cost-effective and accessible to all regardless of their ability to pay; as a not-for-profit, charitable organizations, we will be trustworthy stewards of our resources; our active participation and support of the MaineHealth family.

**Form 990, Part VI, Line 6 - Classes of Members or Stockholders**

Lincoln County Health Care, Inc. (LCH) is the sole member of Miles Memorial Hospital. MaineHealth (EIN # 01-0431680), as the sole member of LCH, has the right to approve significant decisions of the governing body of LCH and its subsidiaries.

**Form 990, Part VI, Line 7a - Election of Members and Their Rights**

The member elects the Board of Trustees. All officers of the Board of Trustees are elected by the board, and each must be a trustee. Officers of the corporation are elected annually by the board.

**Form 990, Part VI, Line 7b - Decisions Subject to Approval of Members**

Decisions of the governing body such as budgets, business strategies, significant financial commitments, amendments to the articles of incorporation, and election of the President/CEO among other decisions, are subject to the approval of the sole member.

Name of the organization

MILES MEMORIAL HOSPITAL

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Form 990, Part VI, Line 11b - Organization's Process to Review Form 990

The finance committee performed a detailed review of the Form 990. The Form 990 is then made available to the full board. The Chief Financial Officer also performs a detailed review of the entire Form 990 before signing and prior to filing.

Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy

Any duality of interest or possible conflict of interest on the part of a trustee, physician, officer or manager (e.g., a member of Lincoln County Healthcare Leadership Team, Director, Manager or person responsible for purchasing) must be disclosed to the applicable Board, Board Committee or, in the case of an administrative decision that is not subject to Board or committee approval, to the manager's immediate supervisor. Such disclosures shall be made a matter of record. Disclosure will be made at the time of initial affiliation with Lincoln County Healthcare, annually and when the interest becomes a matter for Board or committee action or administrative decision. Disclosure Forms shall be completed annually by trustees and officers at the time of the Annual Meeting, and annually by vice presidents, directors, and managers in conjunction with their annual performance review.

Form 990, Part VI, Line 15a - Compensation Process for Top Official

In consultation with Sullivan Cotter, the MaineHealth Board Compensation Committee establishes appropriate compensation parameters for each member organization's CEO and certain members of their Senior Management team. Working within those parameters, the LCH Board determines the level of

Name of the organization

MILES MEMORIAL HOSPITAL

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

Form 990, Part VI, Line 15b - Compensation Process for Officers

In consultation with Sullivan Cotter, the MaineHealth Board Compensation Committee establishes appropriate compensation parameters for each member organization's CEO and certain members of their Senior Management team. Working within those parameters, the LCH Board determines the level of compensation for its CEO. The findings of the Compensation Committee are made transparent to, and voted on by, the full Governing Board. This "total executive compensation" is filed publicly by the organization, and includes "total cash compensation" and "total value of all benefits and perquisites associated with the position (such as housing allowances, social club memberships, signing bonuses, etc.)". The Board takes necessary action to prevent the CEO from voting or directly participating

Name of the organization

MILES MEMORIAL HOSPITAL

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in the final Committee determination of (her/his) own compensation. The organization's executive compensation procedure relies upon appropriate data for comparability (e.g. compensation levels paid by both taxable and tax-exempt similarly situated organizations and independent compensation surveys by nationally recognized independent firms). Finally, the organization refrains from allowing executive compensation to ever be based solely on LCH's revenues or other similar profit-sharing strategies.

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation  
Documents that are required to be open for public inspection are made available upon request.

Form 990, Part VII - Related Organizations

For each of the Board of Trustee's listed, 50 hours per week is to a related organization - Lincoln County Medical Group: Alan Barker, M.D., Mark Fourre, M.D., Daniel Friedland, M.D., Garth Miller, M.D., and Steven Feder, D.O.. James Donovan and Wayne Printy works an average of 50 hours per week for a related organization - Lincoln County Health Care. Robert McArtor, M.D. works an average of 50 hours per week for a related organization - MaineHealth.

Form 990, Part XI, Line 5 - Other Changes in Net Assets Explanation

Change in unrealized gains	487,188
Intercompany transfers	(4,609,937)
Increase in perpetual trust	326,762
Total other changes in net assets	\$(3,795,987)

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**MILES MEMORIAL HOSPITAL**

Employer identification number

**01-0211796**

**Related Organizations and Unrelated Partnerships**

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2011**

**Open to Public Inspection**

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

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

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

(1)	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
							Yes	No
(1)	LINCOLN COUNTY MEDICAL GROUP 6 ST ANDREWS LANE BOOTHBAY HARBOR ME 04538 26-3878235	PHYS SVC	ME	501C3	7	LCH		X
(2)	LINCOLN COUNTY HEALTH CARE, INC. 6 ST ANDREWS LANE BOOTHBAY HARBOR ME 04538 26-1475629	HEALTH SVC	ME	501C3	11c	MH		X
(3)	COVES EDGE, INC. 26 SCHOONER STREET DAMARISCOTTA ME 04543 01-0382340	LT CARE SV	ME	501C3	3	LCH		X
(4)	ST ANDREWS HOSPITAL 6 ST ANDREWS LANE BOOTHBAY HARBOR ME 04538 01-0153960	HOSPITAL	ME	501C3	3	LCH		X
(5)	MAINEHEALTH (MH) 110 FREE STREET PORTLAND ME 04101 01-0431680	HEALTHCARE	ME	501C3	11c	N/A		X

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

(1)	(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 alloc.?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
								Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													

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

(1)	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1)								
(2)								
(3)								
(4)								

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

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

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

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	X	
b Gift, grant, or capital contribution to related organization(s)	X	
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)	X	
e Loans or loan guarantees by related organization(s)	X	
f Sale of assets to related organization(s)		X
g Purchase of assets from related organization(s)		X
h Exchange of assets with related organization(s)		X
i Lease of facilities, equipment, or other assets to related organization(s)		X
j Lease of facilities, equipment, or other assets from related organization(s)		X
k Performance of services or membership or fundraising solicitations for related organization(s)		X
l Performance of services or membership or fundraising solicitations by related organization(s)		X
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
n Sharing of paid employees with related organization(s)		X
o Reimbursement paid to related organization(s) for expenses		X
p Reimbursement paid by related organization(s) for expenses		X
q Other transfer of cash or property to related organization(s)		X
r Other transfer of cash or property from related organization(s)		X

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

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

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

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

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

**Part VII Supplemental Information**

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

**Schedule R - Additional Information**

**Schedule R, Part II:**

Lincoln County Medical Group (EIN# 26-3878235) has filed for public charity exempt status within the due date required to receive IRS approval retroactive to the legal date of formation.

# Lincoln County Health Care, Inc. – FY12 Community Benefits

## **I. Why create a Community Benefits report?**

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

## **II. Organizational Description and Information**

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

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

**In Boothbay Harbor:** St. Andrews Hospital and Healthcare Center, a 25-bed Critical Access Hospital; St. Andrews Village Community, which includes assisted living, independent living, Alzheimer's care, adult day services, and long-term nursing care; Miles & St. Andrews Home Health & Hospice; Lincoln County Medical Group, an employer of physicians and mid-level staff providing those professions to St. Andrews Hospital emergency department and the physician practices of Miles Memorial Hospital at the John F. Andrews Family Care Center; a multi-specialty medical arts facility.

Our hospitals provide a broad array of primary health care services to our region including: emergency medicine, acute and rehabilitative inpatient care; laboratory, diagnostic imaging, and orthopedic surgery and general surgical services; a palliative care program; social services; rehabilitation services including physical therapy, occupational therapy, speech and language therapy, plus outpatient cardiac and pulmonary rehabilitation, and obstetrics care.

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

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

### **III. Community Needs Assessment**

The Lincoln County Health Care, Inc.'s Board of Trustees is made up of a diverse set of community members. The Board requires a thorough Community Needs Assessment on behalf of the organization, and directs the organization to analyze and respond to the current needs assessment. MaineHealth also participates in various initiatives to help support and provide updates to community needs assessment planning. Some of these initiatives include:

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

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

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

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

#### **Community Health Improvement Services and Community Benefit Operations**

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

**Home Health Community Education** - four presentations on Home Health services available to the community

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

**VFW and American Legion Presentations** - three presentations on Veteran's benefits

**Childbirth Classes** - these are offered through the Obstetrics Unit at Miles at a subsidized cost

**Local Speaker's Bureau** - staff provided health-related presentations for nonprofit and service organizations

**Monthly Alzheimer's Support Group** - provided for free to the community

**Provide class space for Senior College at Chase Point** (no charge)

**Monthly Parkinson's Support Group** - provided for free to the community at Chase Point

**Provide Space and Catering for Veterans at Chase Point** (no charge)

**Damariscotta River Four Part Series** - provided for free to the community at Schooner Cove

**"Living Art-Living Well"** - studio offering a four part seminar series free to the community at Schooner Cove

**Provide C.P.R. courses** - offered to local nonprofit agencies at a minimal cost

**Provide Infant and Child C.P.R. classes** - including course materials for parents and family members at no charge

**Emergency Medical Technician Training** - Miles Memorial Hospital Emergency Department is used as a clinical training site for Emergency Medical Technician Training, "Basic" through "Advanced"

**American Red Cross Babysitting Course** - provide babysitting skills course to children 11 years and older to provide safe babysitting care

**Hospice Volunteer Training** - two seminars offered (16 hour course) free of charge

**Educational Seminars** - held at the Inn at St. Andrews Village

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#### **Food Pantry Community Benefit Luncheon**

**Seasonal Flu Vaccination** - offered at no charge to EMS and first responders

**Pharmacy Re-Stocks Ambulance Boxes** (no charge)

**Pre-Diabetes Classes** - offered to community organizations at no cost

**Diabetes Support Group** - offered monthly

**Community Sharps Disposal Program** - offered 2 times/year at no cost

#### **Spectrum Generations Presentations**

**Blood Pressure Screenings** - provided weekly at Arrowsmith for no charge

**Hospice Presentation** - provided to the Lincoln Home staff

#### **Parkinson's Support Group**

**IPro Clinics** - continuous glucose monitoring free trial for patients who wanted help with blood sugar pattern assessment and management

**A1C champion guest speaker** - presentation at MMH for staff and community to motivate patients and families living with diabetes

#### **Mobius LEAD Program**

**Neighborhood Gatherings** - two gatherings provided at Cove's Edge

**Independent Living Presentation** - dietician presentation presented at St. Andrews Village

**Rite Aid Wellness Fair**

**Women's Center "Centering OB"** - medical nutrition for pregnant patients

**Matter of Balance Presentation**

**Fall Screens** - provided at St. Andrews Village

**Boothbay High School Health Class** - presentation to students at Boothbay High School

**Spectrum Fitness Instruction**

**Spectrum Generations Menus** - menu review for nutritional balance and specified diets

### **Health Professions Education**

**Internships** - Lincoln County Health Care provides internship opportunities for nursing, social services, pharmacy and medical students who are completing their rural rotations

**Compassionate Companion training program** - offered to community members

**CNA Training** - provided three 12 week CNA classes at no charge to students, nine CNA classes for Physical Therapy, Occupational Therapy and Speech Therapy, and three classes for hospice

**Student Training** - Physical Therapy, Occupational Therapy, Speech Therapy and Medical Nutrition Therapy

**Miles Memorial Hospital Laboratory** - provided training for 1 MLT student from the University of Maine at Augusta - provided job shadow experiences to 20 students

**Diabetes Education** - provided to the ElderCare Network of Lincoln County caregivers annually

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**ED Training for EMS personnel** - two reviews and in-services in trauma care for 21 E.M.S. personnel

**LCH Professional Development Program** - provided scholarships and continuing education opportunities to members of the community

**Nursing School Clinical Placements** - provide 9 to 12 week clinical placements for nursing school students in long-term care and in the hospital

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

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

**Personal Support Specialist** - provide this 50-hour course at a reduced rate to community members and area group homes/assisted living facilities

**Lincoln County Healthcare Education Center** - This is a collaborative effort of Central Maine Community College and Lincoln County Healthcare, the first college degree program in Lincoln County. First year students have the option to earn a Licensed Practical Nursing (LPN) within a year and will have a five year grace period to complete the requirements for the RN credential, should they choose, or continue on for a second year to become a Registered Nurse. The program collaboratively works with colleges, clinical departments of the hospital, long term care facilities, MaineHealth, Lincoln Academy, and local businesses. Students receive classroom training at Central Maine Community College and in classrooms at the Lincoln County Healthcare Education Center located at 66A Chapman Street, in Damariscotta. An agreement with Lincoln Academy allows students to use their science labs for a percentage of their work. Clinical training is at Miles Memorial Hospital and at Cove's Edge. Lincoln County Healthcare provides

administration services, clinical training, equipment, supplies, technical support, telecommunications, and full scholarships in support of the nursing school program.

### **Subsidized Health Services**

**Lincoln Academy School-Based Health Clinic** - Lincoln County Medical Group provides a mid-level clinician for the clinic at no charge.

**Mammography Clinic** - offered once a year at a subsidized fee

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

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

**Care Partners Program** - administered through Lincoln County Healthcare at no cost - this program provides free medical care and medications to qualified candidates (the program administered and coordinated donated medical services)

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

**Maine Breast and Cervical Health Program** - reduced fee services for women

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

**Subsidized Community Physician Services** - Lincoln County has few private practice physicians. In order to ensure access to primary care and certain specialty care physicians, Lincoln County Healthcare employs physicians and provides their services through its hospital based practices at St. Andrews Hospital and Miles Memorial Hospital. Services include: Family Medicine, General Surgery, Orthopedic Surgery, Pediatrics, Internal Medicine, Obstetrics and Gynecology. Services are provided without regard to ability to pay. Given the demographics of Lincoln County, these services – although critical – are not self-sufficient.

### **Cash and In-Kind Contributions to Community Groups**

**Support the American Cancer Society Making Strides against Breast Cancer** - provides volunteer leadership

**Lions Club Walk**

**Host and sponsor of the American Cancer Society Daffodil Days**

**Positive Matters Foundation, Holiday Wish Tags in Lincoln County** - provided volunteers and leadership to collect toys/gifts throughout Lincoln County Healthcare for area needy families

**Nursing Scholarships** – provides scholarships to nursing students of the CMCC program in Lincoln County

**Support of the Boothbay Region Ambulance Service** - provides the Medical Director and supplies, along with EMS protocol updates

**Donation of medical supplies for local and overseas missions**

**United Way Campaign**

### Community Support

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

**Remembrance Gathering** - memorial service sponsored by MSAHHH in Damariscotta and Boothbay Harbor

**Meals on Wheels**

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

### Environmental Improvements

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

### Leadership Development and Training for Community Members

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

### Community Health Improvement Advocacy

**Health Literacy Partnership** - Lincoln County Healthcare provides staff to co-develop special community health-oriented events. Lincoln County Healthcare provides funding and staffing, develops marketing materials, provides advertising and implements at least two health programs or events each year. Fiscal Year 2012 supported Age of Champions events and Senior Games.

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

### Workforce Development

**High School Job Fairs and Career Days** - Human Resources and various departments at Miles Memorial Hospital go to area high schools presenting health care career opportunities and provide job interview training and other job-seeking skills.

### Other

**Annual Financial Support to Lifeflight Foundation Capital Campaign**

<p style="text-align: center;"><b>Lincoln County Health Care's Aggregate "Net Community Benefit Investment" = \$3,534,777</b></p>
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\* In addition to the aforementioned programs, Lincoln County Health Care, Inc. provides its proportional share of support for the annual budget of the following programs, through both "member dues" and "fund

balance transfers”. While all member organizations may not participate directly in the following initiatives, all members provide some level of financial support to help sustain and grow these MaineHealth programs.

### **Community Health Improvement Services and Community Benefit Operations**

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

**Chronic Disease** – The Chronic Disease program increases awareness and utilization of quality care measures for both pediatric/adult asthma, COPD, and Diabetes – this program was formerly listed separately as “Asthma and Chronic Obstructive Pulmonary Disease” and “Diabetes”.

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

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

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**Hospital Medicine**- The Hospital Medicine Program Build relationships with hospitalists across the system and gather monthly to share ideas, discuss challenges, and identify opportunities and solutions. Members collaborate on specific initiatives by gathering interdisciplinary groups in the true spirit of integration

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

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

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

**Palliative Care** - The Palliative Care Program promotes palliative care across the system. The initiative includes clinician education about palliative care including identification of patients who may benefit from palliative care, provision of palliative services for complex medical conditions, addressing ethical issues and engaging patients in discussing goals of care. The

program promotes the use of Physician Orders for Life Sustaining Treatment (POLST) within each MH institution as well as community based advance directive/care planning.

**Patient Centered Medical Home** – This Program provides quality improvement and training for “practice coaches”, runs a learning collaborative focused on practice transformation, provides educational opportunities to practices, and develops/disseminates tools to assist local practices.

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

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

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

**Surgical Quality Collaborative** – The goal of the MaineHealth Surgical Quality Collaborative is to create a collaborative encompassing surgical and quality staff from system hospitals to foster learning, measure improvement, and use empirical data to improve the quality, safety and value of surgical care.

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

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

### **Subsidized Health Services**

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

**MedAccess** – The program provided access to approximately \$8.3 million of free medications in FY12. CarePartners provides this community resource to uninsured and underinsured community members through the Patient Assistance Programs (PAPs). In addition to this service, MedAccess offers application assistance for other prescription access programs, local low-cost generic programs, and other state and federal programs either in-person or through a toll-free number (meaning MaineHealth only counts the staff and program costs/support as a “net community benefit investment” here, and not the actual dollar figure of free medications provided through the program).

### **Community Support**

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

**OneMaine Health Community Health Needs Assessment** – As described earlier in Section III of this report, MaineHealth was one of three health system partners involved in the conduct of a statewide Community Health Needs Assessment. All of the results and data involved in this analysis are publically available as a resource for any interested parties. MaineHealth was responsible for 42.5% of the total cost of this project.

**Health Index Report** – MaineHealth staff creates the Health Index report to present key factors and specific elements of the health status throughout many Maine counties, focusing on measures of health improvement and specific health outcomes/goals – over 1,800 copies of the health index report are distributed annually to health and other community leaders and organizations.

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

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

### **Community Health Improvement Advocacy**

**MaineHealth Learning Resource Centers** – With four locations in Maine, the LRCs provide patients, health care providers, and community members with easy access to quality health information and a wealth of educational reference material. In addition, the LRCs offer the

public over 100 unique classes taught by professionals (e.g. healthy cooking, yoga, chronic disease self-management, cancer prevention, and mental health awareness).

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

## V. Billing and Collection Practices

Lincoln County Health Care charges all patients the same price for the same services, regardless of payor source. Individuals are not required to pay or make arrangements to pay prior to the services being provided. On average, the first bill is sent to a patient 7-10 days after services are provided. After that initial billing date, the patient has 30 days to pay for those services. Before collection action is taken by LCH, three notices must be sent to patients informing them of their lack of proper payments and continued attempts to communicate with them about a solution. In the absence of either full payment or a patient’s attempts to communicate in order to resolve the situation, LCH does use a responsible and professional collection agency if necessary. A bill will become classified as “bad debt” if a patient has not paid the full amount within 120 days.

MaineHealth hospitals may pursue legal action for collecting an outstanding bill only with prior Board approval. The LCH Board has not voted to pursue such legal action in the past eight years. Member organizations offering long-term and residential care services have, from time to time, taken legal action to collect amounts due from patients or residents who are not covered under the MaineCare program and have the sufficient resources to pay for the services they received.

## VI. Charity Care Policies

### Charity Care

Lincoln County Health Care’s policy of charity care and financial assistance is easily understood, prominently posted, and publicly available. A process exists for offering charity care or financial assistance to patients who are unable to pay after they have already been billed. In addition to monitoring collection practices, copies of the charity care policy are made available to patients at all entry points (registration, ED, etc.) and with bill/collection notices. The organization uses simple application procedures for charity care or financial assistance that do not intimidate or confuse applicants. LCH’s employees who work in admissions, billing, accounts receivable, or patient services are fully informed and educated about all financial assistance policies. These staff members identify unpaid bills where persons are unable to pay, and separates these potential “charity care” bills from other bad debt accounts.

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

	<b>100% write off</b>	<b>50% write off</b>	<b>25% write off</b>
1	0 - \$19,058	up to \$21,780	up to \$24,503
2	0 - \$25,743	up to \$29,420	up to \$33,098
3	0 - \$32,428	up to \$37,060	up to \$41,693

4	0 - \$39,113	up to \$44,700	up to \$50,288
5	0 - \$45,798	up to \$52,340	up to \$58,883
6	0 - \$52,483	up to \$59,980	up to \$67,478
7	0 - \$59,168	up to \$67,620	up to \$76,073
8	0 - \$65,853	up to \$75,260	up to \$84,668

## **VII. Good Governance and Executive Compensation Policies**

### **Good Governance**

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

### **Executive Compensation**

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

## VIII. Aggregate Financial Data

### Lincoln County Health Care's Community Benefit Summary \*\*\*

1. Charity care (at cost)	\$2,020,701
2. Bad debt (at cost)	\$1,741,201
3. Government-sponsored health care (shortfall) - Unpaid cost of Medicare, MaineCare, and other hospital-specific indigent care programs	\$6,132,749
4. Net Community Benefit Investment Programs (net expense), e.g.	\$3,534,777

<i>Total Value of Quantifiable Benefits Provided to the Community</i>	<b><u>\$13,429,428</u></b>
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\*\*\* Form created based on AHA guidelines