

Form **990**

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

OMB No. 1545-0047
2013
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Do not enter Social Security numbers on this form as it may be made public.
Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2013 calendar year, or tax year beginning 10/01/13, and ending 09/30/14

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

C Name of organization
LINCOLNHEALTH

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
35 MILES STREET

City or town, state or province, country, and ZIP or foreign postal code
DAMARISCOTTA ME 04543

D Employer identification number
01-0153960

E Telephone number
207-633-8413

G Gross receipts\$ **73,498,810**

F Name and address of principal officer:
Wayne Printy, CFO
6 ST. ANDREWS LANE
Boothbay Harbor ME 04538

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

H(b) Are all subordinates included? Yes No
If "No," attach a list. (see instructions)

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

J Website: **WWW.LCHCARE.ORG**

H(c) Group exemption number ▶

L Year of formation: **1955** **M State of legal domicile:** **ME**

K Form of organization: Corporation Trust Association Other ▶

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: See Schedule O		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	16
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	747
	6 Total number of volunteers (estimate if necessary)	6	186
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	186,625
b Net unrelated business taxable income from Form 990-T, line 34	7b	-71,833	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	504,552	631,111
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	16,557,807	68,130,025
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	128,551	641,428
	12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	271,321	1,831,685
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	7,887,639	27,941,794
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 293,053		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	10,236,760	43,232,207
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	18,124,399	71,174,001	
19 Revenue less expenses. Subtract line 18 from line 12	-662,168	60,248	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	28,467,777	72,203,797
	22 Net assets or fund balances. Subtract line 21 from line 20	14,232,371	23,279,102
		14,235,406	48,924,695

Part II Signature Block

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

Sign Here

Signature of officer: **WAYNE PRINTY** Date: _____
Type or print name and title: **CFO**

Paid Preparer Use Only

Print/Type preparer's name: _____ Preparer's signature: _____ Date: **08/11/15** Check if self-employed PTIN: _____

Firm's name ▶ **MaineHealth** Firm's EIN ▶ _____
110 Free St
Firm's address ▶ **Portland, ME 04101-3908** Phone no. _____

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line 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 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 \$ **38,684,939** including grants of\$) (Revenue \$ **48,838,281**)

LincolnHealth is a 25 bed Critical Access Hospital. The hospital operations provide both acute, rehabilitative, obstetrics, and intensive care in its inpatient setting. Outpatient services include Emergency Care, Urgent Care, General and Orthopaedic Surgery, Wound Care, Physical Therapy, Occupational Therapy, Speech Therapy, Cardiopulmonary Services, Diagnostic Imaging, Laboratory, and Pharmacy services.

4b (Code:) (Expenses \$ **20,377,600** including grants of\$) (Revenue \$ **13,581,094**)

LincolnHealth, dba Lincoln Medical Partners, 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 \$ **6,213,961** including grants of\$) (Revenue \$ **5,710,650**)

LincolnHealth offers long term care services at St. Andrews Village Community. It includes 13 assisted living units, 28 independent living apartments, 11 dementia care beds, adult day services, and 30 long-term care beds. Statistics for the year: assisted living 3,651 days, independent living 6,585 days, and dementia care 3,681 days.

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

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

4e Total program service expenses **▶ 65,276,500**

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government 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 or 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 25a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, 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, or IV, and Part V, line 1	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b	If "Yes" to line 35a, 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		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. 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 or note to any line in this Part V

Table with columns for question number, question text, sub-column (1a, 1b, 2a, etc.), Yes, and No. Includes questions 1a-13c and 14a-14b regarding Form 1096, Form W-2G, Form W-3, and various tax compliance issues.

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

Check if Schedule O contains a response or note to any line 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 (list any hours for related organizations below dotted line)	(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 50.00	X					0	426,216	18,629	
(2)Mark Fourre, M.D. Trustee	0.40 50.00	X					0	280,832	25,137	
(3)Timothy Fox, M.D. Trustee	0.40 50.00	X					0	271,693	24,842	
(4)John Murray, M.D. Trustee	0.40 50.00	X					0	238,393	26,074	
(5)Aquilino Alamo, M.D. Trustee	0.40 50.00	X					0	199,764	24,001	
(6)Robert McArtor, M.D. Trustee	0.40 50.00	X					0	159,839	41,117	
(7)Daniel Friedland, M.D. Trustee	0.40 50.00	X					0	148,403	26,093	
(8)David Lawrence Secretary	0.40 0.00	X		X			0	0	0	
(9)William Logan Vice-Chairman	0.40 0.00	X		X			0	0	0	
(10)Michael Clark, M.D. Trustee	0.40 0.00	X					0	0	0	
(11)James Cosgrove Trustee	0.40 0.00	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 (list any hours for related organizations below dotted line)	(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			
(12) Barbara Mitchell Trustee	0.40 0.00	X						0	0	0
(13) Catherine Gregg Trustee	0.40 0.00	X						0	0	0
(14) Jane G. Smith Trustee	0.40 0.00	X						0	0	0
(15) Jane Hurd Trustee	0.40 0.00	X						0	0	0
(16) Jeffrey Curtis Chairman	0.40 0.00	X		X				0	0	0
(17) Patrick Lydon Treasurer	0.40 0.00	X		X				0	0	0
(18) Rev. Dr. Mary Jo Zimmerli Trustee	0.40 0.00	X						0	0	0
(19) Jack T. Fulmer, M.D. Trustee	0.40 0.00	X						0	0	0
1b Sub-total								1,725,140	185,893	
c Total from continuation sheets to Part VII, Section A								486,124	542,766	120,779
d Total (add lines 1b and 1c)								486,124	2,267,906	306,672

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

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

Section B. Independent Contractors

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

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

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 (list any hours for related organizations below dotted line)	(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			
(12) James Donovan	3.00									
CEO - LCHC	50.00			X			0	337,767	31,649	
(13) Wayne Printy	3.00									
CFO - LCHC	50.00			X			0	204,999	24,108	
(14) Karen Philbrick	50.00									
Director of Pharmacy	0.00					X	135,388	0	22,008	
(15) Thomas Rodrigues	50.00									
Clinical Pharmacist	0.00					X	129,834	0	15,162	
(16) Brent Peters	50.00									
Staff Pharmacist	0.00					X	120,891	0	19,716	
(17) Karen Howell	50.00									
Mgr. Surgical Svcs.	0.00					X	100,011	0	8,136	
(18)										
(19)										
1b Sub-total							486,124	542,766	120,779	
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

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
3 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		
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual		
5 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

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns					
	1b Membership dues					
	1c Fundraising events					
	1d Related organizations	1,951				
	1e Government grants (contributions)	724				
	1f All other contributions, gifts, grants, and similar amounts not included above	628,436				
	g Noncash contributions included in lines 1a-1f: \$					
	h Total. Add lines 1a-1f		631,111			
Program Service Revenue	2a Net Patient Revenue	623000	67,940,639	67,940,639		
	b Rental Income	531390	189,386	189,386		
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		68,130,025			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		329,833		329,833	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6a Gross rents	(i) Real	16,540			
		(ii) Personal				
	b Less: rental exps.					
	c Rental inc. or (loss)	16,540				
	d Net rental income or (loss)		16,540		16,540	
	7a Gross amount from sales of assets other than inventory	(i) Securities	2,530,567	45,589		
		(ii) Other				
	b Less: cost or other basis & sales exps.	2,190,713	73,848			
	c Gain or (loss)	339,854	-28,259			
	d Net gain or (loss)		311,595	311,595		
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a				
	b Less: direct expenses	b				
c Net income or (loss) from fundraising events						
9a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses	b					
c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances	a					
b Less: cost of goods sold	b					
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Busn. Code				
11a Miscellaneous Income	900099	1,645,060	1,645,060			
b Cottage Services	531310	140,950		140,950		
c Management Fees	531310	24,573		24,573		
d All other revenue		4,562		4,562		
e Total. Add lines 11a-11d		1,815,145				
12 Total revenue. See instructions.		71,234,249	70,086,680	186,625	329,833	

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).

Check if Schedule O contains a response or note to any line 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	21,176,319	20,268,377	907,942	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	552,760	524,423	28,337	
9 Other employee benefits	4,586,905	4,406,363	180,542	
10 Payroll taxes	1,625,810	1,542,463	83,347	
11 Fees for services (non-employees):				
a Management				
b Legal	56,107	32,962	23,145	
c Accounting	6,775	6,775		
d Lobbying				
e Professional fundraising services. See Part IV, line 7				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	9,871,135	9,395,369	475,766	
12 Advertising and promotion	72,063	72,063		
13 Office expenses	6,104,695	5,645,808	458,887	
14 Information technology	1,506,435		1,506,435	
15 Royalties				
16 Occupancy	1,609,792	1,609,761	31	
17 Travel	136,444	134,722	1,633	89
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	709,968	709,964	4	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,916,078	2,914,165	1,913	
23 Insurance	294,726	173,267	121,459	
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 Integrated Services	17,762,063	15,656,513	1,812,586	292,964
b Hospital & Provider Taxes	1,453,379	1,453,379		
c Miscellaneous	404,349	403,759	590	
d Taxes & Licenses	181,328	181,298	30	
e All other expenses	146,870	145,069	1,801	
25 Total functional expenses. Add lines 1 through 24e	71,174,001	65,276,500	5,604,448	293,053
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest bearing	291,348	1	56,926
	2 Savings and temporary cash investments		2	1,612,257
	3 Pledges and grants receivable, net	76,638	3	503
	4 Accounts receivable, net	1,634,333	4	9,991,844
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other 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). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	21,250
	8 Inventories for sale or use	162,883	8	1,787,455
	9 Prepaid expenses and deferred charges	112,001	9	401,048
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 76,811,617		
	b Less: accumulated depreciation	10b 44,465,684	16,546,493	10c 32,345,933
	11 Investments—publicly traded securities	6,751,154	11	11,785,755
	12 Investments—other securities. See Part IV, line 11	563,596	12	3,821,610
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	2,329,331	15	10,379,216
16 Total assets. Add lines 1 through 15 (must equal line 34)	28,467,777	16	72,203,797	
Liabilities	17 Accounts payable and accrued expenses	1,458,324	17	2,957,085
	18 Grants payable		18	
	19 Deferred revenue	71,511	19	9,363
	20 Tax-exempt bond liabilities	6,884,019	20	10,453,905
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other 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	3,648,259	23	4,191,493
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	2,170,258	25	5,667,256
	26 Total liabilities. Add lines 17 through 25	14,232,371	26	23,279,102
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	13,362,655	27	43,262,646
	28 Temporarily restricted net assets	161,971	28	413,611
	29 Permanently restricted net assets	710,780	29	5,248,438
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	14,235,406	33	48,924,695	
34 Total liabilities and net assets/fund balances	28,467,777	34	72,203,797	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	71,234,249
2	Total expenses (must equal Part IX, column (A), line 25)	2	71,174,001
3	Revenue less expenses. Subtract line 2 from line 1	3	60,248
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	14,235,406
5	Net unrealized gains (losses) on investments	5	522,180
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	34,106,861
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	48,924,695

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

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

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

OMB No. 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization

LINCOLNHEALTH

Employer identification number

01-0153960

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—Non-functionally integrated
- 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 monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

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

Schedule A (Form 990 or 990-EZ) 2013

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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2012 Schedule A, Part II, line 14	15	%

16a 33 1/3% support test—2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b 33 1/3% support test—2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

17a 10%-facts-and-circumstances test—2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶

b 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests—2013. 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—2012. 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

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

OMB No. 1545-0047

2013

- ▶ **Complete if the organization is described below.**
- ▶ **Attach to Form 990 or Form 990-EZ.**
- ▶ **See separate instructions.**
- ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.**

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Department of the Treasury
Internal Revenue Service

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 LINCOLNHEALTH	Employer identification number 01-0153960
--	---

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
--	----------------------------------	-----------------------------

- | | | |
|---|--|--|
| 1a Total lobbying expenditures to influence public opinion (grass roots lobbying) | | |
| b Total lobbying expenditures to influence a legislative body (direct lobbying) | | |
| c Total lobbying expenditures (add lines 1a and 1b) | | |
| d Other exempt purpose expenditures | | |
| e Total exempt purpose expenditures (add lines 1c and 1d) | | |
| f Lobbying nontaxable amount. Enter the amount from the following table in both columns. | | |

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over \$500,000	20% of the amount on line 1e.
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.
Over \$17,000,000	\$1,000,000.

- | | | |
|--|------------------------------|-----------------------------|
| g Grassroots nontaxable amount (enter 25% of line 1f) | | |
| h Subtract line 1g from line 1a. If zero or less, enter -0- | | |
| i Subtract line 1f from line 1c. If zero or less, enter -0- | | |
| j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		15,406
j Total. Add lines 1c through 1i			15,406
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, line 2; and Part II-B, line 1. Also, complete this part for any additional information.

Schedule C, Part II-B, Line 1

Portion of membership dues attributable to lobbying activities:

Lobbying portion of Maine Hospital Association Dues: \$6,974

Lobbying portion of American Hospital Association Dues: \$5,452

Lobbying portion of Maine Health Care Association: \$1,233

Lobbying portion of American Health Care Association: \$247

Part IV Supplemental Information (continued)

Lobbying portion of Strategic Health Care: \$1,500

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.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

Employer identification number

LINCOLNHEALTH

01-0153960

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate contributions, aggregate grants, aggregate value, and two Yes/No questions about donor advisement.

Part II Conservation Easements.

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose of easements, total number of easements, acreage restricted, number of easements on historic structures, and monitoring details.

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.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include reporting requirements for art and historical treasures, and amounts received or held for financial gain.

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 XIII.

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 XIII and complete the following table:

- c** Beginning balance
- d** Additions during the year
- e** Distributions during the year
- f** Ending balance

	Amount
1c	
1d	
1e	
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 XIII. Check here if the explanation has been provided in Part XIII

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	6,121,367	5,210,719	4,545,019	4,402,289	3,797,878
b Contributions	6,498,668	375,829	900	70,055	
c Net investment earnings, gains, and losses	2,395,986	562,818	720,113	91,209	585,966
d Grants or scholarships					
e Other expenditures for facilities and programs	-643,800	-6,340	-36,580		34,289
f Administrative expenses	-46,373	-21,659	-18,733	-18,534	-15,844
g End of year balance	14,325,848	6,121,367	5,210,719	4,545,019	4,402,289

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

- a** Board designated or quasi-endowment ▶ **64.39 %**
- b** Permanent endowment ▶ **35.61 %**
- 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 XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. 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		2,480,754		2,480,754
b Buildings		47,051,028	23,396,640	23,654,388
c Leasehold improvements		575,265	422,123	153,142
d Equipment		22,636,828	17,530,471	5,106,357
e Other		4,067,742	3,116,450	951,292

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶ **32,345,933**

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. 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 Beneficial / Perpetual Trust	3,821,610	Market
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶	3,821,610	

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) Due from Affiliate	4,890,018
(2) Due from Third Party	2,716,260
(3) Investment in LCHC & LCMG	1,872,000
(4) Other Assets	647,789
(5) Deferred Financing Costs	151,479
(6) Patient and other deposits	101,670
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	10,379,216

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Due to Affiliate	5,217,069
(3) Malpractice Insurance Reserve	187,730
(4) Asset Retirement Obligations	103,105
(5) Deposits Payable	101,670
(6) Other Liabilities	57,682
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	5,667,256

2. Liability for uncertain tax positions. In Part XIII, 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). Check here if the text of the footnote has been provided in Part XIII ...

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

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 XIII.)	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 XIII.)	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 XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

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 XIII.)	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 XIII.)	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 XIII Supplemental Information

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, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part V, Line 4 - Intended Uses for Endowment Funds

Beneficial interest in perpetual trusts held by other unrelated organizations have periodic distributions that are made as unrestricted contributions to Hospital operations.

- Income (interest and dividends net of fees plus realized gains) generated from the Permanently Restricted Funds is available and is transferred to operations, either for general operations or specific uses which fall under normal operations. There are three Permanently Restricted Funds that have exceptions:

- Income transfers are made to the Van Winkle Temporarily Restricted Funds from which an annual Excellence in Healthcare Award is presented to an employee of LCHC or one of its subsidiaries. The net transfer from the permanently restricted fund to the temporarily restricted fund is equal to 3% of the average market value of the Van Winkle Fund over the past 12

Part XIII Supplemental Information (continued)

quarters.

- Income generated from the Thompson Fund is transferred to Temporarily Restricted funds to be utilized as Charity Care for indigent South Bristol residents.

- The Vinal Fund has accumulated to \$10,000 and is to remain at that balance. All income generated from this fund will be transferred out on an annual basis and used to assist in managing the non-covered costs of a long-term illness. Utilization of the annual income will be recommended by the medical staff and approved by the Vinal family.

Part X - FIN 48 Footnote

LCHC, LH, LCMG and Cove's Edge are not-for-profit corporations recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code.

Part XIII - Supplemental Financial Information

Part V, Line 1b Contributions -

St. Andrew's Hospital and Miles Memorial Hospital merged to form LincolnHealth. The beginning balance of Miles Memorial Hospital's Endowment Funds equal to \$6,372,433, is included in the FY2014 Contributions amount of \$6,498,668.

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

Hospitals

- ▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
- ▶ Attach to Form 990. ▶ See separate instructions.
- ▶ Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

LINCOLNHEALTH

Employer identification number

01-0153960

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	X	
b If "Yes," was it a written policy?	1b	X	
2 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			
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.			
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining 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>	3a	X	
b Did the organization use FPG as a factor in determining 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>	3b	X	
c If the organization used factors other than FPG in determining 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, as a factor in determining eligibility for free or discounted care.			
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	X	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		X
6a Did the organization prepare a community benefit report during the tax year?	6a	X	
b If "Yes," did the organization make it available to the public?	6b	X	

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			2,223,077		2,223,077	3.12
b Medicaid (from Worksheet 3, column a)			10,412,899	8,225,194	2,187,705	3.07
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			12,635,976	8,225,194	4,410,782	6.20
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			47,924		47,924	0.07
f Health professions education (from Worksheet 5)			111,931		111,931	0.16
g Subsidized health services (from Worksheet 6)			17,093,635	12,298,928	4,794,707	6.74
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			91,274		91,274	0.13
j Total. Other Benefits			17,344,764	12,298,928	5,045,836	7.09
k Total. Add lines 7d and 7j			29,980,740	20,524,122	9,456,618	13.29

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			690		690	
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development			519		519	
9 Other						
10 Total			1,209		1,209	

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? 1		X
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	21,591,127
6 Enter Medicare allowable costs of care relating to payments on line 5	6	21,171,195
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	419,932
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—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 or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group LincolnHealth (LH)

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)

	Yes	No
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply):	X	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input checked="" type="checkbox"/> Other (describe in Section C)		
2 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>13</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	X	
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply):	X	
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>WWW.LHCARE.ORG</u>		
b <input type="checkbox"/> Other website (list url):		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <input checked="" type="checkbox"/> Other (describe in Section C)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year):		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Section C)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs		X
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	X	
If "Yes," indicate the FPG family income limit for eligibility for free care: 175 %			
If "No," explain in Section C the criteria the hospital facility used.			
11	Used FPG to determine eligibility for providing discounted care?	X	
If "Yes," indicate the FPG family income limit for eligibility for discounted care: 225 %			
If "No," explain in Section C the criteria the hospital facility used.			
12	Explained the basis for calculating amounts charged to patients?	X	
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 type="checkbox"/> Residency		
i	<input checked="" type="checkbox"/> Other (describe in Section C)		
13	Explained the method for applying for financial assistance?	X	
14	Included measures to publicize the policy within the community served by the hospital facility?	X	
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 Section C)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
17	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 individual's eligibility under the facility's FAP?		X
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 Section C)		

Part V Facility Information (continued)

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):

- a** Notified individuals of the financial assistance policy on admission
- b** Notified individuals of the financial assistance policy prior to discharge
- c** Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d** Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e** Other (describe in Section C)

Policy Relating to Emergency Medical Care

19 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
19	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 Section C)
- d** Other (describe in Section C)

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 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 Section C)

21	X	
22		X

21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Section C.

22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Section C.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Facility 1, LincolnHealth (LH) - Part V, Line 1j

Also included in the CHNA was a prioritized list of health needs identified, as well as the implementation plans related to these needs.

Facility 1, LincolnHealth (LH) - Part V, Line 3

Community input was taken into account when conducting the CHNA, including those with special knowledge of or expertise in public health. This included individuals from the following facilities: Healthy Lincoln County, MaineHealth, Midcoast Maine Center for Disease Control, Maine Primary Care Association, and Lincoln County Health Care.

Facility 1, LincolnHealth (LH) - Part V, Line 4

The CHNA was conducted through a partnership with MaineHealth, Eastern Maine Healthcare Systems, and MaineGeneral Health.

Facility 1, LincolnHealth (LH) - Part V, Line 5c

The CHNA report can be found at http://www.mainehealth.com/mh_body.cfm?id=7301

Facility 1, LincolnHealth (LH) - Part V, Line 7

The following identified community health needs were not addressed: Cancer, Hospital Admissions, Reproductive Health, Smoking, and Youth Issues. These priorities were not addressed due to lack of consensus from community partners regarding the importance of the issue and/or a lack of resources to address the issue.

Facility 1, LincolnHealth (LH) - Part V, Line 12i

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Presumptive Eligibility - intended for those patients who never completed a 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 with which the provider is not credentialed, 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.

Facility 1, LincolnHealth (LH) - Part V, Line 20d

The hospital facility used gross charges to calculate discounts. Items 20a-c are being evaluated for which is most practicable for future implementation.

Facility 1, LincolnHealth (LH) - Part V, Line 21

The hospital bills all patients, insured or not, the same amount. Some insurance companies apply a negotiated rate against these billed amounts if paid in accordance with 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

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

planning to implement one of the methods described above in Lines 20a-c for FAP-eligible individuals.

Part V Facility Information (continued)**Section D. 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? 11

Name and address	Type of Facility (describe)
1 LH dba St. Andrews Village 145 Emery Lane Boothbay Harbor ME 04538	Long-Term Care Facility
2 LH dba LMP Orthopedics 5 Miles Center Way Damariscotta ME 04543	Outpatient Clinic
3 LH dba LMP General Surgery 5 Miles Center Way Damariscotta ME 04543	Outpatient Clinic
4 LH dba The Family Care Center 14 St. Andrews Lane Boothbay Harbor ME 04538	Outpatient Clinic
5 LH dba LMP Family Medicine 230 Kaler's Corner Waldoboro ME 04572	Outpatient Clinic
6 LH dba LMP Family Medicine Van Winkle Medical Building 79 Schooner St. Damariscotta ME 04543	Outpatient Clinic
7 LH dba LMP Internal Medicine Van Winkle Medical Building 79 Schooner St. Damariscotta ME 04543	Outpatient Clinic
8 LH dba LMP Pediatrics 79 Schooner St. Damariscotta ME 04543	Outpatient Clinic
9 LH dba The Women's Center 5 Miles Center Way Damariscotta ME 04543	Outpatient Clinic
10 LH dba LMP Family Medicine 49 Hooper Street Wiscasset ME 04578	Outpatient Clinic

Part VI Supplemental Information

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Part I, Line 7g - Subsidized Health Services Explanation

Subsidized health services include School Based Health Centers where Lincoln County Health Care, Inc. (LCHC) and its subsidiary LincolnHealth (LH) 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. \$4,794,707 (in 2013, \$5,358,991) 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

In 2013, Bad Debt is a deduction from revenue and is not included in total expenses.

Part I, Line 7 - Costing Methodology Explanation

Charity Care and Means-Tested Government Programs utilize a cost to charge

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ratio in determining the cost of the actual Charity Care Write-Off. The cost to charge ratio is calculated using Worksheet 2: Ratio of Patient Care Cost to Charges, located in the Schedule H instructions.

Part II - Community Building Activities

Lincoln County Health Care, Inc. and its subsidiary hospital organization LincolnHealth, partner with various community groups such as the Healthy Lincoln County, A Healthy Maine Partnership, and Lincoln County Abuse Task Force to improve and protect the health of its community members. Meals are prepared by its staff as part of the local Meals on Wheels programs which delivers meals to the elderly population to assist with their nutritional needs. LCHC participates in the community disaster training held on a regular basis throughout the county.

Part III, Line 4 - Bad Debt Expense Footnote to Financial Statements

From the LCHC Audited Financial Statements: Charity Care and Bad Debts: LH (the Hospital) accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the Hospital. Essentially, these policies define

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charity care as those services for which limited or no payment is anticipated. In assessing a patient's ability to pay, the Hospital utilizes generally recognized poverty income levels. Charity Care is measured based on the Hospital's established rates. The Hospital utilizes annual federal guidelines and adjusts 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 LincolnHealth has provided without compensation. As a tax-exempt hospital, LH provides necessary patient care regardless of the patient's ability to pay for the services. A portion of LH bad debt expense is attributable to patients eligible for financial assistance that, for a variety of reasons, do not

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complete the financial assistance application process. LH cannot
determine the amount of bad debt expense that could be reasonably
attributable to patients who likely would qualify for financial assistance
under the LH 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, LH 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.
LH believes that the Medicare shortfall should be included as a community
benefit because LH has a clear mission commitment to serving elderly

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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 provided by LH, 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 cannot make regular payments. The patient will be offered financial assistance if criteria are met within Free Care guidelines and other assistance that is available. When it is

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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.**

Part VI, Line 2 - Needs Assessment

See the attached Community Health Needs Assessment Implementation Plan for a description of how the organization assesses the health care needs of the

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communities it serves.

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

MaineHealth also participates in various initiatives to help support and provide updates to community needs assessment planning. Some of these initiatives include: Clinical Strategic Planning, Financial Strategic Planning, Facility Planning, Manpower Planning, Physician Recruitment Strategic Planning, Emergency Preparedness Planning.

Along with the internal assessments, member organizations also review and act on recommendations provided by local and state partners, such as the Maine Center for Disease Control and Prevention (MCDC).

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 was 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

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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 provided baseline data on hundreds of health indicators that are relevant to hospitals and communities to inform planning and evaluation activities. Each member and affiliate hospital held community forums in partnership with local and regional organizations to increase understanding and use of the Community Health Needs Assessment and to inform action on local, community-based health priorities. Plans call for a Community Health Needs Assessment to be replicated every three years. In late 2013, CHNA and Implementation Plan Reports were produced by each MaineHealth member hospital, in collaboration with MaineHealth. These detailed reports covered the time period of 2013-2015 and were formally adopted by each member organization Board for submission with their respective FY13 990 filings. In 2015, a new process of conducting a statewide community health needs assessment, called the SHNAPP (Statewide health needs Assessment Planning Program) was launched. County-level CHNA reports will be produced in 2016; these reports will be used to inform community engagement and action by hospitals, state/local governments, and other partners. MaineHealth, EMHS,

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CMHC, and the MCDC are contributing financial support to the study and reports.

Part VI, Line 3 - 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 application process.**

*** Patient bills and statements provide a telephone number to call for information about financial assistance programs and help in qualifying for them.**

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Part VI, Line 4 - 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 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

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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 LincolnHealth on Medicare and Medicaid and explain the large amount of uncompensated care provided. LincolnHealth is a Critical Access Hospital located in Damariscotta, with an outpatient campus in Boothbay Harbor. It is the only hospital in Lincoln County.

Portions of Lincoln County have been designated as medically underserved.

Part VI, Line 5 - Promotion of Community Health

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.

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*** 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.**

Part VI, Line 6 - Affiliated Health Care System

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

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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 (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.

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- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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.

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 (LincolnHealth), Maine Medical Center, Maine Behavioral Healthcare, Pen Bay Healthcare (Pen Bay Medical Center), Southern Maine Health Care, Waldo County Healthcare (Waldo County General Hospital), Western Maine Health Care (Stephens Memorial Hospital), HomeHealth Visiting Nurses, Maine Physician Hospital Organization, MaineHealth Accountable Care Organization, Maine Health Cardiology, NorDx, Synernet, The Memorial Hospital at North Conway, N.H., and Partnership for Healthy Aging (Geriatric Resource Network). Affiliates of MaineHealth include MaineGeneral Medical Center, Mid Coast Hospital, New England Rehabilitation Hospital, and St. Mary's Regional Medical Center.

Part VI, Line 7 - State Filing of Community Benefit Report

Maine

Additional Information

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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.

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

Part I, Line 3b

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

175% FPL - 100% Write-off

200% FPL - 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)**

Compensation Information

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

OMB No. 1545-0047

2013

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization

LINCOLNHEALTH

Employer identification number

01-0153960

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

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

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

3 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, but explain in Part III.

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

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

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

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.

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

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

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

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

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

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

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

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

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 and Title	(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. Trustee	(i)	0	0	0	0	0	0
	(ii)	341,613	0	84,603	8,288	10,341	444,845
2 Mark Foure, M.D. Trustee	(i)	0	0	0	0	0	0
	(ii)	280,832	0	0	8,288	16,849	305,969
3 Timothy Fox, M.D. Trustee	(i)	0	0	0	0	0	0
	(ii)	271,149	0	544	8,288	16,554	296,535
4 John Murray, M.D. Trustee	(i)	0	0	0	0	0	0
	(ii)	225,793	0	12,600	7,641	18,433	264,467
5 Aquilino Alamo, M.D. Trustee	(i)	0	0	0	0	0	0
	(ii)	185,264	0	14,500	6,709	17,292	223,765
6 Robert McArtor, M.D. Trustee	(i)	0	0	0	0	0	0
	(ii)	139,416	0	20,423	27,811	13,306	200,956
7 Daniel Friedland, M.D. Trustee	(i)	0	0	0	0	0	0
	(ii)	120,122	0	28,281	5,112	20,981	174,496
8 James Donovan CEO - LCHC	(i)	0	0	0	0	0	0
	(ii)	244,332	41,000	52,435	8,288	23,361	369,416
9 Wayne Printy CFO - LCHC	(i)	0	0	0	0	0	0
	(ii)	183,205	0	21,794	6,126	17,982	229,107
10 Karen Philbrick Director of Pharmacy	(i)	134,844	0	544	4,644	17,364	157,396
	(ii)	0	0	0	0	0	0
11	(i)						
	(ii)						
12	(i)						
	(ii)						
13	(i)						
	(ii)						
14	(i)						
	(ii)						
15	(i)						
	(ii)						
16	(i)						
	(ii)						

Part III Supplemental Information

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	16,304	0

Part III - Other Additional Information

Part I, Line 4:

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

See Schedule O Part VI, Line 15a, for description of methods used to determine the compensation for top officials.

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

LINCOLNHEALTH

Employer identification number

01-0153960

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A MHHEFA Revenue Bond Series 2011A	01-0314384	560427LW4	08/31/11	8,469,460	Refinance Bonds		X		X		X
B MHHEFA Revenue Bond Series 2011A	01-0314384	560427LW4	08/31/11	5,616,753	Refinance Bonds		X		X		X
C											
D											

Part II Proceeds

	A		B		C		D	
1 Amount of bonds retired	1,015,000		955,000					
2 Amount of bonds legally defeased								
3 Total proceeds of issue	8,469,460		5,616,753					
4 Gross proceeds in reserve funds	836,733		654,968					
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds	88,736		64,425					
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds								
11 Other spent proceeds	8,380,724		5,552,328					
12 Other unspent proceeds								
13 Year of substantial completion								
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?	X		X					
15 Were the bonds issued as part of an advance refunding issue?		X		X				
16 Has the final allocation of proceeds been made?	X		X					
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

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 Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? ..								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government								
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6 Total of lines 4 and 5								
7 Does the bond issue meet the private security or payment test?		X		X				
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X				

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X				
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	X		X					
b Exception to rebate?		X		X				
c No rebate due?		X		X				
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X		X				
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X				
7 Has the organization established written procedures to monitor the requirements of section 148?		X		X				

Part V Procedures To Undertake Corrective Action

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

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Schedule K - Additional Information

MHHEFA Revenue Bond Series 2011A

Part I, column (e), and Part II, Lines 1-12 Series 2011 Bonds -
The institution is reporting its allocable portion of this bond issue, the remainder of which is allocable to affiliated entities.

Part I, column (i) -
The institution has assumed that this arrangement does not constitute a "pooled financing."

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

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

2013

▶ Attach to Form 990 or 990-EZ.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization

LINCOLNHEALTH

Employer identification number

01-0153960

Form 990 - Organization's Mission

LincolnHealth 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 III, Line 2

An emergency department that was located at the St. Andrew's campus was changed to an urgent care center. Also a wound care clinic was opened on the St. Andrew's campus.

Form 990, Part III, Line 3

On October 1, 2013, Miles Memorial Hospital (EIN # 01-0211796) and St. Andrews Hospital, merged into a single unified organization under the tax identification number of St. Andrews Hospital (EIN # 01-0153960). The new, merged organization was also renamed to LincolnHealth (LH) on October 1, 2013.

Form 990, Part VI, Line 4 - Significant Changes to Organizational Documents

On October 1, 2013, Miles Memorial Hospital (EIN # 01-0211796) and St. Andrews Hospital, merged into a single unified organization under the tax identification number of St. Andrews Hospital (EIN # 01-0153960).

Name of the organization

LINCOLNHEALTH

Employer identification number

01-0153960

The new, merged organization was also renamed to LincolnHealth (LH) on October 1, 2013.

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

Lincoln County Health Care Inc. (LCHC), is the sole corporate member of LincolnHealth. MaineHealth (EIN #01-0431680), as the sole member of LCHC, has the right to approve significant decisions of the governing board 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.

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

Name of the organization

LINCOLNHEALTH

Employer identification number

01-0153960

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

Name of the organization

LINCOLNHEALTH

Employer identification number

01-0153960

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

Name of the organization

LINCOLNHEALTH

Employer identification number

01-0153960

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 IX, Line 11g - Other Fees for Services

Description

Program Service

Mgt & General

Fundraising

PURCHASED SERVICES

\$ 9,395,369

\$ 475,766

\$ 0

Form 990, Part XI - Additional Information

The financial results of the Organization were part of a consolidated financial statement audit prepared for Lincoln County Health Care, Inc. (EIN #26-1475629) and its subsidiaries.

Form 990, Part XI, Line 9 - Other Changes in Net Assets Explanation

Change in Perpetual Trusts \$ 142,965

Merger Miles Memorial Hospital - Net Assets \$ 34,559,865

Equity Transfers to Affiliate \$ 595,969

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2013

Open to Public Inspection

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
- ▶ Attach to Form 990. ▶ See separate instructions.
- ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

Name of the organization

LINCOLNHEALTH

Employer identification number
01-0153960

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

(a) Name, address, and EIN (if applicable) 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" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) Lincoln County Medical Group 6 St. Andrews Lane 26-3878235 Boothbay Harbor ME 04538	Phys Svc	ME	501c3	3	LCH		X
(2) Lincoln County Health Care, Inc. 6 St. Andrews Lane 26-1475629 Boothbay Harbor ME 04538	Health Svc	ME	501c3	11c	MH		X
(3) Coves Edge, Inc. 26 Schooner Street 01-0382340 Damariscotta ME 04543	LT Care Sv	ME	501c3	3	LCH		X
(4) MaineHealth (MH) 110 Free Street 01-0431680 Portland ME 04101	Healthcare	ME	501c3	11c	N/A		X
(5)							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate 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" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1)									
(2)									
(3)									
(4)									

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

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

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest (ii) annuities (iii) royalties 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 Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)	X	
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses	X	
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)	X	
s 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 related organization	(b) Transaction type (a-s)	(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" on 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 sections 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)													

Form **990-T**

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

OMB No. 1545-0687

For calendar year 2013 or other tax year beginning **10/01/13**, and ending **09/30/14**

2013

▶ See separate instructions.

▶ Information about Form 990-T and its instructions is available at www.irs.gov/form990t.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3). Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury
Internal Revenue Service

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section</p> <p><input checked="" type="checkbox"/> 501(c) (3)</p> <p><input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e)</p> <p><input type="checkbox"/> 408A <input type="checkbox"/> 530(a)</p> <p><input type="checkbox"/> 529(a)</p> <p>C Book value of all assets at end of year 72,203,797</p>	<p>Name of organization (<input checked="" type="checkbox"/> Check box if name changed and see instructions.)</p> <p>LINCOLNHEALTH</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions.</p> <p>35 MILES STREET</p> <p>City or town, state or province, country, and ZIP or foreign postal code</p> <p>DAMARISCOTTA ME 04543</p> <p>F Group exemption number (See instructions.) ▶</p> <p>G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>	<p>D Employer identification number (Employees' trust, see instructions.)</p> <p>01-0153960</p> <p>E Unrelated business activity codes (See instructions.)</p> <p>531310</p>
--	---	--

H Describe the organization's primary unrelated business activity.
▶ **Property Management**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ Yes No
If "Yes," enter the name and identifying number of the parent corporation.
▶ **Lincoln County Health Care, Inc. 26-1475629**

J The books are in care of ▶ **Chief Financial Officer** Telephone number ▶ **207-633-8413**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales				
b Less returns and allowances	c Balance			
2 Cost of goods sold (Schedule A, line 7)				
3 Gross profit. Subtract line 2 from line 1c				
4a Capital gain net income (attach Form 8949 and Schedule D)				
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)				
c Capital loss deduction for trusts				
5 Income (loss) from partnerships and S corporations (attach statement)				
6 Rent income (Schedule C)		16,540		16,540
7 Unrelated debt-financed income (Schedule E)				
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)				
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)				
10 Exploited exempt activity income (Schedule I)				
11 Advertising income (Schedule J)				
12 Other income (See instructions; attach schedule.) See Stmt 1		170,085		170,085
13 Total. Combine lines 3 through 12		186,625		186,625

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14 Compensation of officers, directors, and trustees (Schedule K)			
15 Salaries and wages			163,507
16 Repairs and maintenance			
17 Bad debts			
18 Interest (attach schedule)			
19 Taxes and licenses			
20 Charitable contributions (See instructions for limitation rules.)			
21 Depreciation (attach Form 4562)		21	
22 Less depreciation claimed on Schedule A and elsewhere on return		22a	22b 0
23 Depletion			
24 Contributions to deferred compensation plans			
25 Employee benefit programs			52,142
26 Excess exempt expenses (Schedule I)			
27 Excess readership costs (Schedule J)			
28 Other deductions (attach schedule) See Statement 2			42,809
29 Total deductions. Add lines 14 through 28			258,458
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			-71,833
31 Net operating loss deduction (limited to the amount on line 30)			
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			-71,833
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)			1,000
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			-71,833

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here **See instructions** and:

a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):
(1) \$ _____ **(2)** \$ _____ **(3)** \$ _____

b Enter organization's share of: **(1)** Additional 5% tax (not more than \$11,750) \$ _____
(2) Additional 3% tax (not more than \$100,000) \$ _____

c Income tax on the amount on line 34 **35c**

36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: Tax rate schedule or Schedule D (Form 1041) **36**

37 Proxy tax. See instructions **37**

38 Alternative minimum tax **38**

39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies **39**

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) **40a**

b Other credits (see instructions) **40b**

c General business credit. Attach Form 3800 (see instructions) **40c**

d Credit for prior year minimum tax (attach Form 8801 or 8827) **40d**

e Total credits. Add lines 40a through 40d **40e**

41 Subtract line 40e from line 39 **41**

42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (att. sch.) **42**

43 Total tax. Add lines 41 and 42 **43** **0**

44a Payments: A 2012 overpayment credited to 2013 **44a**

b 2013 estimated tax payments **44b**

c Tax deposited with Form 8868 **44c**

d Foreign organizations: Tax paid or withheld at source (see instructions) **44d**

e Backup withholding (see instructions) **44e**

f Credit for small employer health insurance premiums (Attach Form 8941) **44f**

g Other credits and payments: Form 2439 _____
 Form 4136 _____ Other _____ Total **44g**

45 Total payments. Add lines 44a through 44g **45**

46 Estimated tax penalty (see instructions). Check if Form 2220 is attached **46**

47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed **47**

48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid **48**

49 Enter the amount of line 48 you want: Credited to 2014 estimated tax **Refunded** **49**

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2013 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here **X**

2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file. **X**

3 Enter the amount of tax-exempt interest received or accrued during the tax year **\$**

Schedule A - Cost of Goods Sold. Enter method of inventory valuation **▶**

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		Yes No
4a Additional sec. 263A costs (attach schedule)	4a				
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5				

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here **CFO**

Signature of officer _____ Date _____ Title _____

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

Paid Preparer Use Only

Print/Type preparer's name _____ Preparer's signature _____ Date **08/11/15** Check if self-employed PTIN _____

Firm's name **▶ MaineHealth** Firm's EIN **▶** _____

Firm's address **▶ 110 Free St** Phone no. _____

Portland, ME 04101-3908

Schedule C – Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property

(1) **Land**

(2)
(3)
(4)

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
--	--	--

(1)	16,540	
(2)		
(3)		
(4)		

Total	Total 16,540	
--------------	---------------------	--

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **16,540**

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) **16,540**

Schedule E – Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)

4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
---	---	---------------------------------	--	---

(1) N/A				
(2)				
(3)				
(4)				

Totals

Enter here and on page 1, Part I, line 7, column (A). Enter here and on page 1, Part I, line 7, column (B).

Total dividends-received deductions included in column 8

Schedule F – Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross inc.	6. Deductions directly connected with income in column 5

7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
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Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).

Totals

Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col.4)
(1) N/A				
(2)				
(3)				
(4)				
Totals		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).

Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1) N/A						
(2)						
(3)						
(4)						
Totals		Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).			Enter here and on page 1, Part II, line 26.

Schedule J – Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1) N/A						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1) N/A						
(2)						
(3)						
(4)						
Totals from Part I						
Totals, Part II (lines 1-5)		Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).			Enter here and on page 1, Part II, line 27.

Schedule K – Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1) N/A		%	
(2)		%	
(3)		%	
(4)		%	

Total. Enter here and on page 1, Part II, line 14

Federal Statements**Statement 1 - Form 990-T, Part I, Line 12 - Other Income**

<u>Description</u>	<u>Amount</u>
Cottage Services	\$ 140,950
Management Fees	24,573
Laundry Revenue	144
Other Revenue	4,418
Total	\$ <u>170,085</u>

Statement 2 - Form 990-T, Part II, Line 28 - Other Deductions

<u>Description</u>	<u>Amount</u>
Administration Allocation	\$ 19,755
External Services	1,495
Advertising & Marketing	10,136
Supplies & Minor Equipment	1,147
Resident Activities	3,203
Travel & Outside Training	132
Other Expense	1,155
Nourishment	5,307
Laundry costs	144
Lease expense	335
Total	\$ <u>42,809</u>

Lincoln County Health Care, Inc. – FY14 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 LincolnHealth, Cove's Edge, Inc., and Lincoln County Medical Group, Inc.

In the Damariscotta Region: LincolnHealth – Miles Campus, a 25-bed Critical Access 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 LincolnHealth; 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: LincolnHealth – St. Andrews Campus, providing outpatient services including urgent care, diagnostic imaging, outpatient laboratory, physical therapy, occupational therapy, speech therapy and wound care; 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 LincolnHealth urgent care, wound care clinic, and the physician practices of LincolnHealth at the John F. Andrews Family Care Center, a multi-specialty medical arts facility.

Our organization provides a broad array of primary health care services to our region including: emergency medicine, urgent care, wound care, acute and rehabilitative inpatient care, laboratory, diagnostic imaging, orthopedic and general surgical services, a palliative care program, social services, rehabilitation services including physical therapy, occupational therapy, speech and language therapy, 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 a renowned rural healthcare provider, LincolnHealth's 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 network 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 LCHC Board is made up of a diverse set of community members. Each MaineHealth Member Board requires a thorough community needs assessment and directs its organization to respond to the needs identified. 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, member organizations also review and act on recommendations provided by local and state partners, such as the Maine Center for Disease Control and Prevention (MCDC).

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 was a comprehensive compilation and analysis containing primary and secondary health data sources. The report contained 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 provided baseline data on hundreds of health indicators that are relevant to hospitals and communities to inform planning and evaluation activities. Each member and affiliate hospital held community forums in partnership with local and regional organizations to increase understanding and use of the Community Needs Health Assessment and to inform action on local, community-based health priorities.

Plans call for a Community Health Needs Assessment to be replicated every three years. In late 2013, CHNA and Implementation Plan Reports were produced by each MaineHealth member hospital, in collaboration with MaineHealth. These detailed reports covered the time period of 2013-2015 and were formally adopted by each member organization Board for submission with their respective FY13 990 filings.

In 2015, a new process of conducting a statewide community health needs assessment, called the SHNAPP (Statewide Health Needs Assessment Planning Program) was launched. County-level CHNA reports will be produced in 2016; these reports will be used to inform community engagement and action by hospitals, state/local governments and other partners. MaineHealth, EMHS, CMHC and the MCDC are contributing financial support to the study and reports.

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

VFW and American Legion Presentations - a presentation on Veteran's benefits

Childbirth Classes - these are offered through the Obstetrics Unit at LincolnHealth – Miles Campus at a subsidized cost

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

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

Provide Class Space for Senior College at Chase Point (no charge)

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

Damariscotta River Four-Part Series - 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 subsidized cost

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

Emergency Medical Technician Training - Emergency Department is used as a clinical training site for Emergency Medical Technician Training, "Basic" through "Advanced Intermediate"

Provide iPads and Wireless Service to Ambulance Services - provided iPads and wireless service to Boothbay and Damariscotta region ambulance services - to improve communication with Emergency Departments

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

Lincoln County Elder Appreciation Day Flu Vaccination - offered free flu vaccines given by staff in Boothbay

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

Food Pantry Community Benefit Luncheon

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

Pharmacy Re-Stocks Ambulance Boxes (no charge)

Diabetes Support Group

Community Sharps Disposal Program - offered year round at no cost

Blood Pressure Screenings - provided weekly at Arrowsmith for no charge

Home Health & Hospice Services Presentation - lunch and learn provided at St. Andrews Village

Home Health Presentation - provided to the Iris Network of Lincoln County

Hospice Presentation – programs on death and dying provided to community members

Bereavement Services - provided for 12 months to Hospice family members

Hospice Presentation - provided to ElderCare Network of Lincoln County staff

Set for Success - a program in Boothbay Harbor to ensure all elementary school children have the necessary school supplies when returning to school

Touch-a-Truck Event - helped community members access primary care providers and services

Parkinson's Support Group

Rollator Presentation - provided at St. Andrews Village

Ergonomic Presentation

Physical Therapy & Dietician Presentations - provided to programs within the YMCA

Lincoln County Triad Senior Appreciation Day – helped community members access primary care providers and services

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

CNA Training - provided CNA classes for Physical, Occupational and Speech Therapy, as well as for hospice

Physical Therapy Student Training & Job Shadow Experience

Dietetic Technician Student Training - provided a dietician preceptor to an SMCC dietetic technician student

Dietician and Nutritional Care Job Shadow Experience

Miles Campus Laboratory - provided training for 1 MLT student from the University of Maine at Augusta and also provided job shadow experiences to 20 students

Diagnostic Imaging Job Shadow Experience & Career Interviews

Medical Student Training - provided a clinical setting for medical students as they rotate through clinical services

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

ED Training for EMS personnel - provided trauma care in-services for 40 E.M.S. personnel

Emergency Department Job Shadow Experience - provided job shadow experiences with doctors to 5 people; provided job shadow experiences with RNs to 2 people

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

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

Job Shadow Experience - provided 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 - provided this 40-hour course and the re-certification course at a reduced rate to community members and area assisted living facilities

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

Career Exploration and Facility Tours - Lincoln County Healthcare education staff provide learning experience with tours for local middle school students and local adult education program students who are exploring careers in healthcare, tours are also provided to midcoast CNA course students.

Lincoln County Healthcare Education Center – This is a collaborative effort between Central Maine Community College and Lincoln County Healthcare, and is 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 in Damariscotta. An agreement with Lincoln Academy allows students to use their science labs for a percentage of their work. Clinical training is at LincolnHealth – Miles Campus 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

CarePartners Program - administered through Lincoln County Healthcare at no cost, this program provided free medical care and medications to qualified candidates (the program administered and coordinated donated medical services)

Sports Medicine Physical Therapy Clinic - provided to the Boothbay Region Schools and Lincoln Academy

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. Also, the Medical Director is provided at a reduced rate.

Flu Clinic – offered at a subsidized fee

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 both campuses of LincolnHealth. Services include: Family Medicine, General Surgery, Orthopedic Surgery, Pediatrics, Internal Medicine, Obstetrics and Gynecology, and Wound Care. 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

Support the American Cancer Society Making Strides against Breast Cancer - provided volunteer leadership and information about the importance of mammography

Lions Club Walk (donation of staff volunteer time)

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 - provided scholarships to nursing students of the CMCC program in Lincoln County

Support of the Boothbay Region Ambulance Service - provided the Medical Director and supplies, along with EMS protocol updates, and support with chart and case reviews

Donation of Equipment and Patient Care Items to Partners for World Health

Annual Financial Support to Lifelight Foundation Capital Campaign

United Way Campaign (donation of staff volunteer time)

Community Support

Participate and Support Disaster Preparedness in Community - provided two employees quarterly to represent the hospital 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

COPD/Breathe Easier Support Group - Lincoln County Healthcare education and community outreach staff provided support to market, arrange for guest speakers and facilitate monthly meetings for the community members who have COPD or support a family member or friend with COPD.

Environmental Improvements

Boothbay Region Land Trust - LincolnHealth is a grantee that provided approximately 25 acres of land set aside for nature trails and land preservation.

Community Health Improvement Advocacy

Health Literacy Partnership - Lincoln County Healthcare provided staff to co-develop special community health-oriented events. Lincoln County Healthcare provided funding and staffing,

developed marketing materials, and supported implementation of a teen PSA video contest regarding tobacco prevention.

Healthy Lincoln County (A Healthy Maine Partnership) - Lincoln County Healthcare co-developed, provided funding and staffing, and implemented a winter community health event with “Healthy Lincoln County”. Lincoln County Healthcare staff participated on their Advisory Group and on various committees.

Let's Go! Booster Night – Lincoln County Healthcare provides food and staff support for a healthy food night for the Boothbay High School Booster Club.

Let's Go! Childhood Obesity Prevention Community Health Initiative - Lincoln County Healthcare education and community outreach staff provide technical support to schools, childcare, preschools, and afterschool programs enrolled in Let’s Go at no charge.

Workforce Development

High School Job Fairs and Career Days - Human Resources and various departments at LincolnHealth presented health care career opportunities to area high schools and provided job interview training and other job-seeking skills.

Lincoln County Health Care’s Aggregate “Net Community Benefit Investment” = \$5,416,515
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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.

Behavioral 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.

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”, “Chronic Obstructive Pulmonary Disease” and “Diabetes”.

Clinical Informatics – The MaineHealth Informatics Committee directs the integration of MaineHealth best practices into the electronic health record to advance the practice and delivery of care to patients across all care settings. This Committee’s work will be informed by the evaluation of patient outcomes, quality measures, financial markers and clinical satisfaction.

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

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

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

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 supports the MaineHealth Members’ strategy for creating a strong primary care network by assisting primary care practices with Patient Centered Medical Home transformation. Efforts include increasing regional capacity in quality improvement and practice redesign by offering learning collaboratives for practices, a coach development program and providing educational opportunities including the dissemination of tools and resources.

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.

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 and York 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 \$35.6 million of free medications in FY14, with 11,356 applications completed for more than 5,505 patients (1,600 of them new to the program in FY14). 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 (therefore, 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.

Community Health Needs Assessment – As described earlier in Section III of this report, plans call for a Community Health Needs Assessment to be replicated every three years. In the summer of 2013, MaineHealth created “CHNA and Implementation Plan Reports” in collaboration with member hospitals. These detailed reports covered the period of 2013-2015 and were formally adopted by each member organization Board for submission with the FY13 990 filing – ACA compliance required these reports to be completed no later than April 2014.

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 – nearly 2,000 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 engages health professionals and provider organizations, community partners, family members, and local and state government in its efforts in order to meet the goal of increasing Maine's 19-35 month old vaccination rate for the standard series of seven immunizations from 67% in 2010 to 82% or higher 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 ten 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

LincolnHealth'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.

LincolnHealth is 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:

	100% write off	50% write off	25% write off
1	0 - \$20,423	up to \$23,340	up to \$26,258
2	0 - \$27,528	up to \$31,460	up to \$35,393
3	0 - \$34,633	up to \$39,580	up to \$44,528
4	0 - \$41,738	up to \$47,700	up to \$53,663
5	0 - \$48,843	up to \$55,820	up to \$62,798
6	0 - \$55,948	up to \$63,948	up to \$71,933
7	0 - \$63,053	up to \$72,060	up to \$81,068
8	0 - \$70,158	up to \$80,180	up to \$90,203

VII. Good Governance and Executive Compensation Policies

Good Governance

Lincoln County Health Care has a Board of 21 community members, a majority of whom are not practicing physicians, officers, department heads, or other employees with a financial connection or otherwise affiliated with the organization itself. The Board meets 12 times a year (on average), and has a written "conflict of interest" policy in place. The Board understands the specific mission of the organization, and approves strategic planning initiatives aimed at carrying out this mission. Trustees understand their fiscal and other specific responsibilities while serving on the Board, and further education/information is provided to Board members if requested. Trustees and Executive Officers of LCH do not receive loans on behalf of the organization. The organization ensures that a substantial part of its activities 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 990 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

Lincoln County Health Care 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

organization’s 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, 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)	\$2,227,109
2. Bad debt (at cost)	\$2,773,396
3. Government-sponsored health care (shortfall) - Unpaid cost of Medicare, MaineCare, and other hospital-specific indigent care programs	\$2,880,835
4. Net Community Benefit Investment Programs (net expense)	\$5,416,515

<i>Total Value of Quantifiable Benefits Provided to the Community</i>	\$13,297,855
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** Form created based on AHA guidelines