

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

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.

2013
Open to Public Inspection

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

B Check if applicable: <input type="checkbox"/> Address change <input checked="" type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization <p style="text-align: center;">MAINE BEHAVIORAL HEALTHCARE</p> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <p style="text-align: center;">78 ATLANTIC PLACE</p> City or town, state or province, country, and ZIP or foreign postal code <p style="text-align: center;">SOUTH PORTLAND ME 04106</p> F Name and address of principal officer: <p style="text-align: center;">DENNIS P. KING 123 ANDOVER ROAD WESTBROOK ME 04092</p>	D Employer identification number <p style="text-align: center;">01-0524834</p> E Telephone number <p style="text-align: center;">207-761-2200</p> G Gross receipts\$ 53,475,387
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
J Website: ▶ WWW.MAINEBEHAVIORALHEALTHCARE.ORG		H(c) Group exemption number ▶
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1999 M State of legal domicile: ME

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <p style="text-align: center;">See Schedule O</p>																			
	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 36																		
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 32																		
	5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5 508																		
	6 Total number of volunteers (estimate if necessary)	6 43																		
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a 0																		
	7b Net unrelated business taxable income from Form 990-T, line 34	7b 0																		
Revenue		<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Prior Year</th> <th style="text-align: center;">Current Year</th> </tr> </thead> <tbody> <tr> <td>8 Contributions and grants (Part VIII, line 1h)</td> <td style="text-align: right;">220,603</td> <td style="text-align: right;">2,467,460</td> </tr> <tr> <td>9 Program service revenue (Part VIII, line 2g)</td> <td style="text-align: right;">31,403,253</td> <td style="text-align: right;">50,898,549</td> </tr> <tr> <td>10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)</td> <td style="text-align: right;">26,788</td> <td style="text-align: right;">23,341</td> </tr> <tr> <td>11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td> <td style="text-align: right;">592,330</td> <td style="text-align: right;">63,109</td> </tr> <tr> <td>12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td> <td style="text-align: right;">32,242,974</td> <td style="text-align: right;">53,452,459</td> </tr> </tbody> </table>		Prior Year	Current Year	8 Contributions and grants (Part VIII, line 1h)	220,603	2,467,460	9 Program service revenue (Part VIII, line 2g)	31,403,253	50,898,549	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	26,788	23,341	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	592,330	63,109	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	32,242,974	53,452,459
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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 <p style="text-align: center;">MICHAEL ABBATIELLO</p> Type or print name and title	Date <p style="text-align: center;">CHIEF FINANCIAL OFFICER</p>
Paid Preparer Use Only	Print/Type preparer's name <p style="text-align: center;">MaineHealth</p> Firm's name <p style="text-align: center;">110 Free St</p> Firm's address <p style="text-align: center;">Portland, ME 04101-3908</p>	Preparer's signature Date Check <input type="checkbox"/> if self-employed <input checked="" type="checkbox"/> PTIN
	Firm's EIN ▶	Phone no.

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

Part III Statement of Program Service Accomplishments

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 \$ **25,114,984** including grants of \$) (Revenue \$ **31,296,445**)
Spring Harbor Hospital

Located in Westbrook, Maine, Spring Harbor Hospital is southern Maine's only nonprofit, private psychiatric hospital and a comprehensive provider of inpatient services for individuals who experience acute mental illness or dual disorders issues. Our facility, licensed for 100 beds, is set on 50 private acres in greater Portland and offers children, adolescents, and adults a comfortable and pleasant environment for psychiatric treatment. We provide 24-hour information and referral, voluntary and involuntary hospitalization and comprehensive discharge planning. (Continued at Schedule O)

4b (Code:) (Expenses \$ **3,579,889** including grants of \$) (Revenue \$ **3,516,021**)
Outpatient Therapy

Maine Behavioral Healthcare offers outpatient counseling at our Belfast, Biddeford, Brunswick, Damariscotta, Kittery, Norway, Portland, Rockland, Springvale and Westbrook community locations. Outpatient counseling services provide individuals, couples and families with high-quality, innovative therapeutic treatment by licensed clinicians. We also provide specialized treatment for those with co-occurring mental health and substance abuse issues. (Continued at Schedule O)

4c (Code:) (Expenses \$ **2,363,654** including grants of \$) (Revenue \$ **2,414,306**)
Crisis Services

Maine Behavioral Healthcare offers 24/7 crisis services, 365 days a year, to southern and mid-coast regions in Maine. Crisis services include a 24-hour hotline, mobile assessment, crisis intervention, follow-up support and stabilization. Mobile support can be provided at many locations, including homes, schools, workplaces, police stations, emergency departments, and physician's offices. (Continued at Schedule O)

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

(Expenses \$ **13,404,921** including grants of \$) (Revenue \$ **13,671,777**)

4e Total program service expenses **44,463,448**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	<input checked="" type="checkbox"/>	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	<input checked="" type="checkbox"/>	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	<input checked="" type="checkbox"/>	
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	<input checked="" type="checkbox"/>	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	<input checked="" type="checkbox"/>	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		<input checked="" type="checkbox"/>
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		<input checked="" type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	<input checked="" type="checkbox"/>	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	<input checked="" type="checkbox"/>	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII		<input checked="" type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	<input checked="" type="checkbox"/>	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		<input checked="" type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the United States?		<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	<input checked="" type="checkbox"/>	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		<input checked="" type="checkbox"/>
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	<input checked="" type="checkbox"/>	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<input checked="" type="checkbox"/>	

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?		
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?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
13c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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

Section A. Governing Body and Management

	1a	36	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		36		
b Enter the number of voting members included in line 1a, above, who are independent	1b	32		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3			X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X	
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6 Did the organization have members or stockholders?	6		X	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?	8a		X	
b Each committee with authority to act on behalf of the governing body?	8b		X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9			X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ME
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: Michael Abbatiello, CFO 78 Atlantic Place South Portland ME 04106 207-761-2233

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) WILLIAM CARON	1.00									
CEO-MH, EX-OFFICIO	50.00	X		X			0	1,034,119	79,809	
(2) FRANCIS G. MCGINTY	1.00									
VP - MH, EX-OFFICIO	50.00	X		X			0	579,146	73,153	
(3) DENNIS P. KING	50.00									
CEO-MBH, EX-OFFICIO	0.00	X		X			0	436,937	67,735	
(4) KAREN E. SIMONE	1.00									
TRUSTEE	40.00	X					0	134,438	34,491	
(5) SHERI BOULOS	1.00									
TRUSTEE	0.00	X					0	0	0	
(6) JANIS COHEN	1.00									
TRUSTEE	0.00	X					0	0	0	
(7) JAMES HARNAR	1.00									
TRUSTEE	0.00	X					0	0	0	
(8) NANCY HASENFUS, MD	1.00									
VICE CHAIR	0.00	X		X			0	0	0	
(9) TRACY HAWKINS	1.00									
TRUSTEE	0.00	X					0	0	0	
(10) LESTER W. HODGDON	1.00									
TRUSTEE	0.00	X					0	0	0	
(11) LISA C. HOOK	1.00									
TRUSTEE	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) FRANK LAVOIE, MD	1.00									
TRUSTEE	0.00	X					0	0	0	
(13) NANCY POND	1.00									
TRUSTEE	0.00	X					0	0	0	
(14) ANNA H. WELLS	1.00									
SECRETARY	0.00	X		X			0	0	0	
(15) RICHARD WHITE	1.00									
TRUSTEE	0.00	X					0	0	0	
(16) THOMAS CHADBOURNE	1.00									
TRUSTEE	0.00	X					0	0	0	
(17) MARION FREEMAN	1.00									
TRUSTEE	0.00	X					0	0	0	
(18) CREIGHTON TAYLOR	1.00									
TRUSTEE	0.00	X					0	0	0	
(19) DAVID SMITH	1.00									
CHAIR	0.00	X		X			0	0	0	
1b Sub-total								2,184,640	255,188	
c Total from continuation sheets to Part VII, Section A							1,945,230	750,307	377,128	
d Total (add lines 1b and 1c)							1,945,230	2,934,947	632,316	

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 **▶ 26**

	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
Gail Wilkerson Falmouth ME 04105	627 Blackstrap Rd. Consulting	131,555

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 **▶ 1**

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) ANN DONAGHY	1.00									
TREASURER	0.00	X		X			0	0	0	
(13) JOHN BOUCHARD	1.00									
SECRETARY	0.00	X		X			0	0	0	
(14) JAMES ALEXANDER	1.00									
TRUSTEE	0.00	X					0	0	0	
(15) RICHARD ARONSON	1.00									
TRUSTEE	0.00	X					0	0	0	
(16) MARK BENTON	1.00									
TRUSTEE	0.00	X					0	0	0	
(17) ROSALYNE BERNSTEIN	1.00									
TRUSTEE	0.00	X					0	0	0	
(18) BRIAN BOUDREAU	1.00									
TRUSTEE	0.00	X					0	0	0	
(19) FRANK BRANCELY JR.	1.00									
TRUSTEE	0.00	X					0	0	0	
1b Sub-total										
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	3	
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	4	
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	5	

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 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) CHERYL BRANDT	1.00									
TRUSTEE	0.00	X					0	0	0	
(13) RICHARD CARRIUOLO	1.00									
TRUSTEE	0.00	X					0	0	0	
(14) JANE CLEAVES	1.00									
TRUSTEE	0.00	X					0	0	0	
(15) JOSEPH DEKAY, D. O.	1.00									
TRUSTEE	0.00	X					0	0	0	
(16) SCOTT DOW	1.00									
TRUSTEE	0.00	X					0	0	0	
(17) JAMES GEORGITIS, MD	1.00									
TRUSTEE	0.00	X					0	0	0	
(18) GEOFFREY GREEN	1.00									
TRUSTEE	0.00	X					0	0	0	
(19) LAURENCE GROSS	1.00									
TRUSTEE	0.00	X					0	0	0	
1b Sub-total										
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 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) JOAN HOUGHTON	1.00									
TRUSTEE	0.00	X					0	0	0	
(13) NORTON LAMB	1.00									
TRUSTEE	0.00	X					0	0	0	
(14) ANNIE LEVINE	1.00									
TRUSTEE	0.00	X					0	0	0	
(15) ROBERT LEVINE	1.00									
TRUSTEE	0.00	X					0	0	0	
(16) JENNIFER MOORE	1.00									
TRUSTEE	0.00	X					0	0	0	
(17) DR. VERNON MOORE	1.00									
TRUSTEE	0.00	X					0	0	0	
(18) JOSEPH MORESHEAD	1.00									
TRUSTEE	0.00	X					0	0	0	
(19) ANNE PRINGLE	1.00									
TRUSTEE	0.00	X					0	0	0	
1b Sub-total										
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	3	
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	4	
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	5	

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 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) CHERYL LEE RUST	1.00									
TRUSTEE	0.00	X					0	0	0	
(13) LAURA WARNER	1.00									
TRUSTEE	0.00	X					0	0	0	
(14) GIRARD ROBINSON, MD	20.00									
CHIEF MEDICAL OFF.	30.00			X			0	400,967	88,962	
(15) DONALD E. QUIGLEY	1.00									
ASST. SECRETARY	50.00			X			0	326,490	87,657	
(16) GREGORY BOWERS	50.00									
EXEC. VP/TREAS	0.00			X			234,846	0	25,543	
(17) MARY JANE KREBS	50.00									
EVP/COO-SHH, CEO-CCC	0.00			X			229,725	0	24,398	
(18) JEANNINE LEPITRE	50.00									
Sr. VP of Rec. Svcs.	0.00			X			192,934	0	15,744	
(19) MICHAEL ABBATIELLO	50.00									
CFO	0.00			X			160,475	0	15,966	
1b Sub-total							817,980	727,457	258,270	
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	3	
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	4	
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	5	

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 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) JOYCE COTTON	40.00									
CCO & CNO	0.00			X			140,487	0	23,877	
(13) PATRICK MAIDMAN	40.00									
MEDICAL DIRECTOR	0.00					X	230,800	0	20,502	
(14) WILLIAM M. SULLIVAN	40.00									
SMMC MED DIR PSYCH.	0.00					X	226,187	0	21,011	
(15) WILLIAM GRAPENTINE	40.00									
PSYCHIATRIST	0.00					X	195,248	0	18,363	
(16) BRUCE CHEMELSKI	40.00									
PSYCHOLOGIST	0.00					X	187,756	100	13,025	
(17) JAMES RAY	36.00									
PSYCHIATRIST	4.00					X	146,772	22,750	22,080	
(18)										
(19)										
1b Sub-total							1,127,250	22,850	118,858	
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	3	
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	4	
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	5	

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	1a	153,469				
	b Membership dues	1b					
	c Fundraising events	1c	90,225				
	d Related organizations	1d					
	e Government grants (contributions)	1e	1,728,281				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	495,485				
	g Noncash contributions included in lines 1a-1f \$						
	h Total. Add lines 1a-1f			2,467,460			
Program Service Revenue	2a Inpatient Revenue	Busn. Code	622210	35,303,987	35,303,987		
	b Outpatient Revenue		621420	7,835,527	7,835,527		
	c Spring Harbor Academy		611699	2,764,095	2,764,095		
	d Contract Revenue		624190	2,572,961	2,572,961		
	e Residential Income		623220	2,181,835	2,181,835		
	f All other program service revenue		900099	240,144	240,144		
	g Total. Add lines 2a-2f			50,898,549			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			23,341		23,341	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6a Gross rents	(i) Real	(ii) Personal				
		b Less: rental exps.					
		c Rental inc. or (loss)					
	d Net rental income or (loss)						
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less: cost or other basis & sales exps.					
		c Gain or (loss)					
	d Net gain or (loss)						
	8a Gross income from fundraising events (not including \$ 90,225 of contributions reported on line 1c). See Part IV, line 18	a		47,320			
		b Less: direct expenses	b	22,928			
		c Net income or (loss) from fundraising events			24,392		
	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 Special Events		900099	14,866	14,866			
b Misc OP		900099	8,896	8,896			
c Misc IP		900099	7,742	7,742			
d All other revenue		900099	7,213	7,213			
e Total. Add lines 11a-11d			38,717				
12 Total revenue. See instructions			53,452,459	50,937,266	0	23,341	

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	513,526	513,526		
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	30,188,798	28,171,830	1,831,212	185,756
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	554,787	518,340	33,090	3,357
9 Other employee benefits	5,170,501	4,747,339	407,416	15,746
10 Payroll taxes	2,177,835	2,034,764	129,895	13,176
11 Fees for services (non-employees):				
a Management				
b Legal	34,920		34,920	
c Accounting	57,806		57,806	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
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.)	2,165,398	1,300,459	849,274	15,665
12 Advertising and promotion	12,861	147	9,650	3,064
13 Office expenses	905,913	723,398	173,285	9,230
14 Information technology	1,302,011	214,891	1,087,120	
15 Royalties				
16 Occupancy	1,520,945	1,392,785	127,690	470
17 Travel	433,517	405,675	21,713	6,129
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	797,697	797,316	381	
21 Payments to affiliates	141,628		141,628	
22 Depreciation, depletion, and amortization	1,488,736	848,582	639,045	1,109
23 Insurance	264,541	186,398	78,143	
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 MEMBER MANAGEMENT FEES	2,014,644		2,014,644	
b HOSPITAL TAX	1,022,905	1,022,905		
c OTHER	806,324	660,231	111,112	34,981
d FOOD SERVICES	532,073	501,422	16,810	13,841
e All other expenses	436,786	423,440	13,346	
25 Total functional expenses. Add lines 1 through 24e	52,544,152	44,463,448	7,778,180	302,524
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)		(B)	
		Beginning of year		End of year	
Assets	1	Cash—non-interest bearing	8,124	1	2,198,116
	2	Savings and temporary cash investments	14,966,166	2	15,359,472
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	1,134,220	4	5,656,948
	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	3,881	7	791,301
	8	Inventories for sale or use	125,062	8	128,987
	9	Prepaid expenses and deferred charges	49,909	9	144,284
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 46,845,106		
	b	Less: accumulated depreciation	10b 18,242,442	10c 19,554,005	28,602,664
	11	Investments—publicly traded securities	659,218	11	2,039,277
	12	Investments—other securities. See Part IV, line 11		12	
	13	Investments—program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	1,014,949	15	1,247,607
16	Total assets. Add lines 1 through 15 (must equal line 34)	37,515,534	16	56,168,656	
Liabilities	17	Accounts payable and accrued expenses	2,072,524	17	5,599,836
	18	Grants payable		18	
	19	Deferred revenue	20,551	19	81,465
	20	Tax-exempt bond liabilities	20,474,629	20	19,640,382
	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		23	4,001,529
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	3,884,962	25	8,442,545
	26	Total liabilities. Add lines 17 through 25	26,452,666	26	37,765,757
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	10,412,538	27	16,975,820
	28	Temporarily restricted net assets	300,330	28	758,834
	29	Permanently restricted net assets	350,000	29	668,245
	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	11,062,868	33	18,402,899	
34	Total liabilities and net assets/fund balances	37,515,534	34	56,168,656	

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	53,452,459
2	Total expenses (must equal Part IX, column (A), line 25)	2	52,544,152
3	Revenue less expenses. Subtract line 2 from line 1	3	908,307
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	11,062,868
5	Net unrealized gains (losses) on investments	5	
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	6,431,724
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	18,402,899

Part XII Financial Statements and Reporting

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

- 1 Accounting method used to prepare the Form 990: Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
 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:
 Separate basis Consolidated basis Both consolidated and separate basis
- b 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:
 Separate basis Consolidated basis Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

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

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.

▶ 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.

OMB No. 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

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 ▶ <input type="checkbox"/>						

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 ▶ <input type="checkbox"/>		
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 ▶ <input type="checkbox"/>		
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 ▶ <input type="checkbox"/>		
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 ▶ <input type="checkbox"/>		
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 ▶ <input type="checkbox"/>		

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 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 <input type="checkbox"/>						

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

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.														
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 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		9,071
j Total. Add lines 1c through 1i			9,071
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

A portion of membership dues paid represents lobbying activities.

Lobbying portion of Maine Hospital Association Dues: 4,972

Lobbying portion of American Hospital Association Dues: 4,099

Total dues paid representing lobbying activities: 9,071

**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

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

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

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Part II Conservation Easements.

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

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

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Tax Year
a Total number of conservation easements	1
b Total acreage restricted by conservation easements	54.00
c Number of conservation easements on a certified historic structure included in (a)	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶ **1**

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ **5**

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ **250**

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$

(ii) Assets included in Form 990, Part X ▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ \$

b Assets included in Form 990, Part X ▶ \$

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

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part 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:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII Yes No

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	350,000	350,000	350,000	350,000	350,000
b Contributions	1,245,482				
c Net investment earnings, gains, and losses	898	42,824	29,974	2,093	33,229
d Grants or scholarships					
e Other expenditures for facilities and programs		42,824	29,974	2,093	33,229
f Administrative expenses					
g End of year balance	1,596,380	350,000	350,000	350,000	350,000

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment ▶ 18.80 %
 - b Permanent endowment ▶ 43.25 %
 - c Temporarily restricted endowment ▶ 37.95 %
- The percentages in lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|-----------------------------|-----|----|
| (i) unrelated organizations | | X |
| (ii) related organizations | X | |
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? Yes No
- 4 Describe in Part 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		2,915,688		2,915,688
b Buildings		29,471,536	10,685,977	18,785,559
c Leasehold improvements		3,548,226	1,647,023	1,901,203
d Equipment		7,750,276	5,909,442	1,840,834
e Other		3,159,380		3,159,380
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				28,602,664

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		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

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)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

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) AMOUNTS PAYABLE UNDER REIMB. REGS.	7,576,123	
(3) DUE TO AFFILIATES	364,787	
(4) INTEREST RATE SWAP	272,458	
(5) INSURANCE CLAIMS	208,520	
(6) OTHER	20,657	
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	8,442,545	

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 II, Line 9 - Accounting for Conservation Easements

In 2002 Spring Harbor Hospital acquired a 54-acre parcel of land designated as a conservation easement which was conveyed as part of a land purchase upon which the hospital was built.

Part V, Line 4 - Intended Uses for Endowment Funds

The endowment funds are used to support programming and special initiatives at Maine Behavioral Healthcare.

Part X - FIN 48 Footnote

Maine Behavioral Healthcare and all of its subsidiaries are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC.

Part XIII Supplemental Information (continued)

Part XIII - Supplemental Financial Information

The endowment fund contribution activity shown at Part V includes all endowment funds that were transferred from the other affiliates when the organization was merged on April 1, 2014. See Schedule O for more details about the merger.

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

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No. 1545-0047

2013

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

▶ Attach to Form 990 or Form 990-EZ.

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

Open to Public Inspection

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a Mail solicitations
- b Internet and email solicitations
- c Phone solicitations
- d In-person solicitations
- e Solicitation of non-government grants
- f Solicitation of government grants
- g Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
			Yes	No			
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total							

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

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

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events	
		<u>Signs of Hope</u> (event type)	<u>Golf Tournament</u> (event type)	<u>1</u> (total number)	(add col. (a) through col. (c))	
Revenue	1	Gross receipts	90,000	32,015	15,530	137,545
	2	Less: Contributions	90,000		225	90,225
	3	Gross income (line 1 minus line 2)		32,015	15,305	47,320
Direct Expenses	4	Cash prizes				
	5	Noncash prizes				
	6	Rent/facility costs			6,525	6,525
	7	Food and beverages		135		135
	8	Entertainment				
	9	Other direct expenses	1,784	13,071	1,413	16,268
	10	Direct expense summary. Add lines 4 through 9 in column (d)				
11	Net income summary. Subtract line 10 from line 3, column (d)					24,392

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

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

9 Enter the state(s) in which the organization operates gaming activities:
 a Is the organization licensed to operate gaming activities in each of these states? Yes No

b If "No," explain:

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No

b If "Yes," explain:

**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

Employer identification number

MAINE BEHAVIORAL HEALTHCARE

01-0524834

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 type="checkbox"/> Other _____%	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		
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)			4,083,770		4,083,770	7.77
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			4,083,770		4,083,770	7.77
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			201,857		201,857	0.38
f Health professions education (from Worksheet 5)			293,796		293,796	0.56
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			101,239		101,239	0.19
j Total Other Benefits			596,892		596,892	1.14
k Total. Add lines 7d and 7j			4,680,662		4,680,662	8.91

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

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

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?		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	3,947,220
6 Enter Medicare allowable costs of care relating to payments on line 5	6	5,134,490
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-1,187,270
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

Section A. Hospital Facilities

(list in order of size, from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number

1 Spring Harbor Hospital
123 Andover Road
Westbrook ME 04092
www.mainebehavioralhealthcare.org

Table with columns: ER-other, ER-24 hours, Research facility, Critical access hospital, Teaching hospital, Children's hospital, General medical & surgical, Licensed hospital, Other (describe), Facility reporting group. Row 1: X in 'Licensed hospital' column.

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 Spring Harbor Hospital

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)

- 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):
 - a A definition of the community served by the hospital facility
 - b Demographics of the community
 - c Existing health care facilities and resources within the community that are available to respond to the health needs of the community
 - d How data was obtained
 - e The health needs of the community
 - f Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups
 - g The process for identifying and prioritizing community health needs and services to meet the community health needs
 - h The process for consulting with persons representing the community's interests
 - i Information gaps that limit the hospital facility's ability to assess the community's health needs
 - j Other (describe in Section C)
- 2 Indicate the tax year the hospital facility last conducted a CHNA: 20 13
- 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
- 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
- 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):
 - a Hospital facility's website (list url): www.mainebehavioralhealthcare.org
 - b Other website (list url): www.mainehealth.org
 - c Available upon request from the hospital facility
 - d 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 Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA
 - b Execution of the implementation strategy
 - c Participation in the development of a community-wide plan
 - d Participation in the execution of a community-wide plan
 - e Inclusion of a community benefit section in operational plans
 - f Adoption of a budget for provision of services that address the needs identified in the CHNA
 - g Prioritization of health needs in its community
 - h Prioritization of services that the hospital facility will undertake to meet health needs in its community
 - i 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
- 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)?
- 8b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?
- 8c 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? \$

	Yes	No
1	X	
3	X	
4	X	
5	X	
7	X	
8a		X
8b		

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? If "Yes," indicate the FPG family income limit for eligibility for free care: <u>175</u> % If "No," explain in Section C the criteria the hospital facility used.	X	
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care: _____ % If "No," explain in Section C the criteria the hospital facility used.		X
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply):	X	
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" 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 type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input 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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	X	
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input 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 checked="" type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in 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? If "Yes," check all actions in which the hospital facility or a third party engaged:		X
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in 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 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?

21		X

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?

22		X
-----------	--	----------

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, Spring Harbor Hospital - Part V, Line 3

The hospital convened a planning group made up of people representing the broad interests of the community served. The organizations, individual experts, and individual leaders/representatives involved in the planning group included:

New England Rehabilitation Hospital, Director of Marketing Operations

City of Portland, State of Maine, Health & Human Services Dept., Research & Data Manager and Access Project Director

The Opportunity Alliance, Directors and Coalition Director

Mercy Health System, Vice President of Mission Effectiveness

VNA Home Health Hospice, CEO

Maine Centers for Disease Control, Cumberland District Public Health Liason

United Way of Greater Portland, Community Impact Director

Healthy Casco Bay, Program Coordinator

Maine Medical Center, Planner

MaineHealth, SVP, Community Health

Facility 1, Spring Harbor Hospital - Part V, Line 4

MaineHealth, Eastern Maine Healthcare Systems and MaineGeneral Health

Facility 1, Spring Harbor Hospital - Part V, Line 11

The hospital facility does not provide discounted care.

Facility 1, Spring Harbor Hospital - Part V, Line 20d

Charges are based on Spring Harbor Hospital's normal fee structure with subsequent write off to Charity Care.

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? 32

Name and address	Type of Facility (describe)
1 Portland Office 165 Lancaster St.	
Portland ME 04101	Outpatient counseling offices
2 Sherry Sabo Center 2 Springbrook Drive	
Biddeford ME 04005	Outpatient counseling offices
3 Rockland Office 12 Union Street	
Rockland ME 04841	Outpatient office
4 Administration 77-79 Atlantic Place	
South Portland ME 04106	Admin offices and central IT hub
5 Springvale Office 474 Main Street	
Springvale ME 04083	Outpatient counseling offices
6 CADD 236 Gannett Drive	
South Portland ME 04106	Center of Autism & Dev Disorders
7 Alfred St. Apts. 20 Alfred Street	
Biddeford ME 04005	Apartments w/supported housing services
8 High Street Residence 5 High Street	
Sanford ME 04073	Sing. room supp. housing & file storage
9 Belfast Office 15 MidCoast Drive	
Belfast ME 04915	Outpatient office
10 Westbrook Office 12 Westbrook Common	
Westbrook ME 04092	Outpatient counseling offices

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? _____

Name and address		Type of Facility (describe)
11	Beach Street Offices & CSU 31 Beach Street Saco ME 04072	Res. Crisis Stabilization Unit & Admin
12	The Elms 1-8 Sherry Lane North Berwick ME 03906	Apts. with supp. housing services
13	Kittery Office 453 US Rt. 1 Kittery ME 03904	Outpatient counseling offices
14	North Street Offices 265 North St. Saco ME 04072	Admin. offices & central IT hub
15	Warren Street Apts. 28 Warren Street Rockland ME 04841	Apts, office & Common area for staff
16	Bacon Street Apts. 72 Bacon Street Biddeford ME 04005	Sing. room supp. housing
17	Belfast Apts. 31 Mid Coast Drive Belfast ME 04915	Apts., 1 office and common area
18	Crescent Place 15 Crescent Street Biddeford ME 04005	6 bed group home
19	Owls Head 38 West Keag Road Owls Head ME 04854	7 Bedroom Single Room Occupancy
20	Woodbridge 19 Woodbridge Road York ME 03909	7 bed group home

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? _____

Name and address	Type of Facility (describe)
21 Brunswick Office 11 Medical Center Drive Brunswick ME 04011	Outpatient counseling offices
22 Common Connection Club 32 Alfred Street Biddeford ME 04005	Social club for MBH clients
23 Pleasant Street 407 Pleasant Street Rockland ME 04841	3 Bedroom Single Room Occupancy
24 Grace Street 47 Grace Street Rockland ME 04841	3 Bedroom Single Room Occupancy
25 Damariscotta Office Lincoln County Healthcare campus Damariscotta ME 04543	Outpatient office
26 Cedar Street 125 Cedar Street Rockland ME 04841	3 Bedroom Single Room Occupancy
27 Harmony Club 19 Washington Street Sanford ME 04073	Social club for MBH clients
28 Glen Street CSU 39 Glen Street Rockland ME 04841	Crisis Stabilization Unit
29 ACT 106 Gilman Street Portland ME 04101	Assertive Community Treatment team
30 ACT 576 St. John Street Portland ME 04101	Assertive Community Treatment team

Part VI Supplemental Information

Provide the following information.

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- 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.

Part I, Line 3c - Other Income Based Criteria for Free or Discounted Care

Maine Behavioral Healthcare (MBH) does not provide discounted care, only free care, for which the FPG is used to determine eligibility.

Part I, Line 6a - Related Organization Information

MBH's annual community benefit report information is contained in a report prepared by Maine Behavioral Healthcare's parent organization, MaineHealth. See attached report.

Part I, Line 7 - Costing Methodology Explanation

Charity care cost data presented in this section has been calculated by assigning the various program level ratios of cost to charges to the actual gross amount of charity care charges recorded by MBH programs during the period.

Other benefit cost data has been calculated through the use of a combination of actual general ledger specific cost data, and the use of employee time studies.

Part III, Line 2 - Bad Debt Expense Methodology

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MBH does not have a specific footnote in the financial

statements that describes "bad debt expense." However, reference is made within the footnotes to a bad debt policy in a couple of instances.

Within the footnote describing "Significant Accounting Policies" is the section titled "Accounts Receivable," where the following explains the Provision for Bad Debts:

"For receivables associated with self-pay patients, MBH records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts."

The amount of expense associated with the provision of services, ultimately written off as bad debt at MBH, has been calculated at \$634,143 for the current fiscal year. This amount was calculated by assigning the various program level ratios of cost to charges to the gross amount of MBH program level charges written off as bad debt during the fiscal

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period. Bad debt expense represents healthcare services MBH has provided without compensation. As a tax-exempt organization, MBH provides necessary patient care regardless of the patient's ability to pay for the services. MBH cannot determine the amount of bad debt expense that could be reasonably attributable to patients who likely would qualify for 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 then 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, MBH believes that bad debt expense should be included as a community benefit.

Part III, Line 8 - Medicare Explanation

MBH's hospital, Spring Harbor Hospital is currently reimbursed by Medicare Part A (for inpatient services) through a Prospective Payment System (PPS) day rate methodology, while Medicare Part B reimburses the hospital for

Part VI Supplemental Information

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professional services rendered through a fee schedule for each service provided. In both cases (Part A and Part B), the reimbursement provided does not fully cover the hospital's costs to provide services to Medicare beneficiaries. Actual FY13 costs to provide care for Medicare patients has been calculated at \$5,134,490, while total actual Medicare reimbursement provided totaled \$3,947,220. The cost calculation was determined using standard Medicare Part A cost reporting methodologies (cost to charge ratios), coupled with in-house Spring Harbor analysis of Part B costs. The difference between actual cost and Medicare reimbursement of \$1,187,270 represents the cost of actual unreimbursed care provided to Medicare beneficiaries. MBH believes that the Medicare shortfall should be included as a community benefit because the Hospital has a clear mission commitment to serving elderly patients and adults with disabilities through the provision of specific subsidized programs developed to help improve the health status of these patients. If these critical subsidized programs were not provided by MBH, they would become the obligation of the Federal Government.

Part III, Line 9b - Collection Practices Explanation

Part VI Supplemental Information

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MBH offers financial assistance to patients who have no means to pay for their care by maintaining charity/indigent care programs. Charity care is provided to those patients who complete an application and who offer evidence that they meet the eligibility requirements. Those patients who refuse application or who fail to meet the requirements for uncompensated care are pursued for collection. Unsuccessful attempts at collection may result in the account being written off as bad debt.

For those patients that do qualify for charity care, account balances are adjusted accordingly once their charity care application has been approved. More details regarding the charity care process at MBH are maintained in the organization's written (and publicly available) charity care policy.

Part VI, Line 2 - Needs Assessment

MBH is a member of MaineHealth, which conducts a thorough community needs

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assessment and directs its member organizations to respond to the needs identified. MaineHealth members also participate in various initiatives to keep those assessments up to date. Some of these initiatives include:

- Clinical Strategic Planning
- Financial Strategic Planning
- Facility Planning
- Human Resource Planning
- Staff Development Planning
- Physician Recruitment Strategic Planning
- Emergency Preparedness Planning

In addition to these internal assessments, MaineHealth member organizations also review and act on many of the recommendations provided by external groups and State health planning initiatives, such as: The Maine Department of Health and Human Services' Healthy Maine 2010 and Autism Spectrum Disorders Report, the Maine Center for Disease Control and Prevention and the "State Health Plan" created by the Advisory Committee for Health Systems Development.

Part VI, Line 3 - Patient Education of Eligibility for Assistance

Part VI Supplemental Information

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MBH's hospital, Spring Harbor Hospital, distributes a Patient Financial Policies brochure to each patient upon admission, which includes (but is not limited to) information on how to access and apply for Spring Harbor Hospital's financial assistance program, financial counseling services, MaineCare, Medicare and Social Security.

Part VI, Line 4 - Community Information

With the triple aim (improving patient experience and quality of care, while reducing costs) as our rudder, we will continue to meaningfully integrate our intensive (hospital) and recovery (community) service lines to create a full continuum of behavioral healthcare across our service region in seven Maine counties. Of Maine's approximately 1.3 million residents, close to 51,000 adults live with serious mental illness and about 13,000 children live with serious mental health conditions.

Part VI, Line 5 - Promotion of Community Health

Maine Behavioral Healthcare engages in many community-building activities including community events, education seminars on behavioral health issues, crisis Intervention training for police departments and high schools, and

Part VI Supplemental Information

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peer services for adults with chronic mental illness. Maine Behavioral Healthcare also organizes employee participation in community fundraising activities and numerous nonprofit boards and civic organizations.

Community Health Improvement Services and Community Benefit Operations

- Crisis Team employees provided workshops on suicide and other mental health topics, assisted school systems in referral management, led trainings for law enforcement, and assisted state police outreach.
- Children's Team managers attended monthly Community Partnership for Protecting Children (CPPC) meetings in Portland, Westbrook and Biddeford and also participated in mental health awareness week with CPPC and a free lunch program.
- Outpatient team managers held a work group for Dads in Biddeford neighborhood.
- Program managers participated on several community steering committees in Waldo and Knox counties.
- MBH staff participated in local trauma advisory group.
- A senior program manager provided CIT training in York County on adult trauma.

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- Program managers participated on a local "Communities that Care" committee.

- MBH's engagement specialist made presentations to Spectrum Generations, DHHS and Boothbay and Medomak schools.

Subsidized Health Services

- Peer services are provided through two social clubs (Biddeford and Sanford) along with a Life Enrichment program that is available at various clinical locations within the MBH footprint.

Coalition Building

- Through the administrative support of an all-volunteer initiative called "It Takes a Community," MBH helps to improve the experience of those with mental illness and their families through education, community outreach projects and awareness building. MBH staff participated in public forum meetings and with the public access television show.

Part VI, Line 6 - Affiliated Health Care System

MaineHealth is a not-for-profit family of leading high-quality providers

Part VI Supplemental Information

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and other healthcare organizations working together so their communities are the healthiest in America. Ranked among the nation's top 100 integrated healthcare delivery networks, MaineHealth is governed by a board of trustees consisting of community and business leaders from its southern, central and western Maine regional service areas.

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

MaineHealth includes the following member organizations; Lincoln County Healthcare, Maine Medical Center, Maine Behavioral Healthcare (Spring Harbor Hospital), Pen Bay Healthcare (Pen Bay Medical Center), Southern Maine Health Care (Southern Maine Medical Center and Goodall Hospital), Waldo County Healthcare (Waldo County General Hospital), Western Maine Health (Stephens Memorial Hospital), HomeHealth Visiting Nurses, The Memorial Hospital of Conway, NH, Maine Physician Hospital Organization, NorDx, Synernet and MaineHealth Accountable Care Organization. The strategic affiliates of MaineHealth are MaineGeneral Medical Center, Mid Coast Hospital and St. Marys Regional Medical Center.

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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.

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

Maine

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

Compensation Information

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

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

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

OMB No. 1545-0047

2013

Open to Public Inspection

MAINE BEHAVIORAL HEALTHCARE

Employer identification number
01-0524834

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
1a		
1b		
2		
3		
4a		X
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

01-0524834

MAINE BEHAVIORAL HEALTHCARE

Schedule J (Form 990) 2013

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 WILLIAM CARON CEO-MH, EX-OFFICIO	0	0	0	0	0	0	0
2 FRANCIS G. MCGINTY VP - MH, EX-OFFICIO	699,295	0	334,824	59,222	20,587	1,113,928	0
DENNIS P. KING CEO-MBH, EX-OFFICIO	449,353	0	129,793	55,163	17,990	652,299	0
KAREN E. SIMONE TRUSTEE	285,578	47,000	104,359	58,065	9,670	504,672	0
GIRARD ROBINSON, MD CHIEF MEDICAL OFF.	134,021	0	417	20,893	13,598	168,929	0
DONALD E. QUIGLEY ASST. SECRETARY	322,667	0	78,300	84,614	4,348	489,929	0
GREGORY BOWERS EXEC. VP/TREAS	295,817	0	30,673	71,252	16,405	414,147	0
MARY JANE KREBS EVP/COO-SHH, CEO-CCC	188,546	46,300	0	9,677	15,866	260,389	0
JEANNINE LEPTRE Sr. VP of Rec. Svcs.	186,325	43,400	0	7,932	16,466	254,123	0
MICHAEL ABBATIELLO CFO	192,934	0	0	7,056	8,688	208,678	0
JOYCE COTTON CCO & CNO	152,475	8,000	0	0	15,966	176,441	0
PATRICK MAIDMAN MEDICAL DIRECTOR	134,187	6,300	0	4,899	18,978	164,364	0
WILLIAM M. SULLIVAN SMMC MED DIR PSYCH.	230,800	0	0	4,218	16,284	251,302	0
WILLIAM GRAPENTINE PSYCHIATRIST	226,187	0	0	5,559	15,452	247,198	0
BRUCE CHEMELSKI PSYCHOLOGIST	195,248	0	0	2,817	15,546	213,611	0
JAMES RAY PSYCHIATRIST	187,756	0	0	3,692	9,333	200,781	0
	100	0	0	0	0	100	0
	146,772	0	0	5,906	15,030	167,708	0
	22,750	0	0	910	234	23,894	0

01-0524834

MAINE BEHAVIORAL HEALTHCARE

Schedule J (Form 990) 2013

Part II 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
WILLIAM CARON	0	315,764
FRANCIS G. MCGINTY	0	126,117
DENNIS P. KING	0	85,233
GIRARD ROBINSON, MD	0	74,474
DONALD E. QUIGLEY	0	23,603

Part III - Other Additional Information

THE NONQUALIFIED PAYMENTS SHOWN ABOVE ARE FROM RELATED ORGANIZATIONS WHERE THE INDIVIDUALS ARE EMPLOYED.

THE INDIVIDUALS ARE EMPLOYED.

TOP MANAGEMENT OFFICIALS ARE COMPENSATED BY RELATED ORGANIZATIONS. THESE ORGANIZATIONS USED ONE OR MORE OF THE METHODS SHOWN ABOVE TO ESTABLISH THE COMPENSATION OF TOP MANAGEMENT.

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

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

Form 990 - Organization's Mission

Maine Behavioral Healthcare will provide a seamless and compassionate continuum of care through a community of providers collaborating to promote recovery and the overall mental and physical well-being of those we are privileged to serve.

Form 990, Part III, Line 2

The programs of Spring Harbor Hospital as shown on the prior year form are now part of the new, merged organization Maine Behavioral Healthcare. (See Schedule O, Part VI, Line 4 description for details about the new organization). Spring Harbor Hospital is described as the first program on line 4a. Other new programs include Outpatient Therapy and Crisis Services as described at lines 4b and 4c respectively.

Form 990, Part III, Line 4a - First Accomplishment

(Continued from Part III, Line 4a)

As part of the MaineHealth system, and a division of Maine Behavioral Healthcare, Spring Harbor is clinically integrated with mental health providers, hospitals and primary care sites to ensure easy and timely access to treatment and safe and effective transitions between services. Through a unique collaboration with Maine Medical Center, Spring Harbor is able to offer the most complete array of psychiatric treatment, physician-training, and medical-research programs north of Boston.

Inpatient Services

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

Our inpatient programs for children, adolescents, adults, and older adults provide hope for those who suffer from a variety of mental illnesses or co-occurring disorders. Many of our hospital patients experience serious depression and/or anxiety and may exhibit suicidal tendencies or aggression toward peers, family members, coworkers, or school personnel. That is why our services are provided on secure treatment units by multidisciplinary treatment teams who specialize in psychiatric and co-occurring disorders.

Developmental Disorders Program

Spring Harbor Hospital's Developmental Disorders Program produces the highest quality treatment outcomes through a combination of expert programming, specially trained caregivers, and the individual potential of each patient. The Developmental Disorders Program is the only hospital program in Maine where children with a developmental disorder, such as autism or mental retardation, can receive intensive treatment for aggression, self-injury, impairment in functioning, and mental health challenges.

Children in the program receive educational services from Spring Harbor Academy, a private, special-purpose school located at the hospital. Each student receives developmentally appropriate educational programming. The child's current Individual Education Plan (IEP) is followed, and ongoing educational needs are assessed through the IEP team process. Spring Harbor Academy also works with the child's home school to ensure the student's successful transition after leaving the hospital.

Form 990, Part III, Line 4b - Second Accomplishment

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

(Continued from Part III, Line 4b)

Clinicians work closely with our psychiatry staff and nurse practitioners to provide integrated treatment. For people with severe and persistent mental illness, we provide intensive, team-based Assertive Community Treatment (ACT) services. Our therapists, in collaboration with case managers, physicians and nurse practitioners, have helped thousands of people recover from mild, short-term emotional and psychological difficulties, as well as successfully manage severe and chronic mental illness.

Individual, Family and Group Counseling

Maine Behavioral Healthcare offers effective, high-quality, innovative and evidence-informed individual, family and group therapies to help children, adolescents, adults and elders from all incomes and backgrounds struggling with many different challenges: depression and anxiety; acute and chronic mental illness; relationship, couples and family problems; family crises, including separation, divorce or death; sexual or physical abuse; addiction/substance abuse; post-traumatic stress disorder and recovery from catastrophic events; loss and declining health that come with aging; elders with mental illness; and many other emotional and psychological difficulties.

Maine Behavioral Healthcare also provides statewide outpatient mental health services to deaf and hard-of-hearing children and adults.

Form 990, Part III, Line 4c - Third Accomplishment

(Continued from Part III, Line 4c)

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

We operate two Adult Crisis Stabilization Units (CSUs) in Saco and Rockland, providing a short-term home-like setting for 24-hour structured treatment in a supportive and safe environment. The units can help resolve a crisis situation and also provide transitional short-term support after an inpatient hospital stay. Trained staff work with clients on goals to improve coping strategies and functions of daily living, based on evidence-based, trauma, recovery, and co-occurring models of treatment.

Form 990, Part III, Line 4d - All Other Accomplishment

In addition to our three largest programs - Spring Harbor Hospital inpatient treatment, community outpatient services, and 24/7 Crisis response services - Maine Behavioral Healthcare offers many other programs to provide a full spectrum of care. Here is a brief description of some of these important services.

Children in the developmental disorders program at Spring Harbor Hospital receive educational services from Spring Harbor Academy, a private, special-purpose school located at the hospital. Each student receives developmentally appropriate educational programming. The child's current Individual Education Plan (IEP) is followed, and ongoing educational needs are assessed through the IEP team process. Spring Harbor Academy also works with the child's home school to ensure the student's successful transition after leaving the hospital.

An extension of the developmental disorders program at Spring Harbor is our Center for Autism and Developmental Disorders (CADD), an outpatient clinic, offering Maine children, adolescents and their families a comprehensive,

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

coordinated day treatment program with primary care consultation. Each child receives an assessment to identify target behaviors, mental health needs and developmental challenges. The evaluation explores psychiatric, speech, occupational, medical, family and environmental factors that may be contributing to the problems.

An individualized treatment plan is then developed to enhance each child's ability to function at the highest level. Progress is reviewed with families and treatment strategies are adjusted to meet the changing needs and growth of each child. Our treatment teams, in the hospital and in our center, include child psychiatrists, behavioral psychologists and analysts, occupational and speech therapists, nurses, social workers and special educators. All services are delivered by professionals who specialize in the unique needs of children with developmental disorders.

Adult ACT is an intensive community based (outpatient) treatment program with a multi-disciplinary team of providers that supports MaineCare eligible adults who may have a major mental illness diagnosis and often co-occurring disorders. The goal of the ACT Program is to improve the client's functioning in the least restrictive setting, while strengthening family, work, school and community ties.

The multi-disciplinary team includes a psychiatrist, nurse practitioner, registered nurse, case manager, therapist, and an employment specialist. The client has access to support 24/7 for crisis needs. The ACT Program is based on national standards and is intended to prevent psychiatric hospitalization and criminal justice involvement.

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

ACT team for children includes a master's level social worker, who provides individual and family therapy; a clinical case worker, who provides case management and behavioral support including supportive counseling and behavioral coaching; and a program manager, who oversees the provision of services. Embedded in and central to the program is a psychiatric nurse practitioner, who receives clinical oversight by a child psychiatrist. ACT is a 24-hour service with an on-call emergency phone number that connects you directly to someone on your child's treatment team for personalized crisis support.

ACT strives to keep each child in the least-restrictive setting, reducing hospitalizations, mental health-related emergency room visits, and crisis unit stays. ACT accomplishes this by providing a high level of services within the home and 24-hour crisis support. ACT teams generally see clients and their families a minimum of two times per week, with the number of visits based on each client's individual needs. ACT works in the child's natural environment, collaborating with schools, the legal system, and other providers and natural supports to reduce the need for hospitalization, crisis services, or admission to a residential treatment facility.

Case management for adults, also called Community Integration, is a MaineCare funded support service designed to improve the quality of life for individuals who have behavioral health or special developmental needs. Case managers determine the person's strength and needs and then help identify and access resources and services to promote independence and

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

integration in the community.

We work with our clients to develop treatment plans that meet the goals they identify, and then develop action steps with them to assist in achieving their goals. Our full range of services are tailored to each individual's needs and include mobile outreach, client advocacy, maintenance of basic living needs, assessment of benefits, and linking and monitoring services.

We can help adults thrive at home, at work and in their communities by:

- Connecting with natural supports and community resources.
- Helping navigate the systems of behavioral and medical care.
- Coordinating services and streamlining communication between multiple providers.
- Developing and monitoring individualized service plans.

Targeted case management for children and adolescents (up to age 20) is a MaineCare funded service to support mental or behavioral health needs. Working closely with families, the case manager determines the child's strengths and needs and then helps identify and access resources and services in the community. The goal is to help the child or adolescent thrive in the home, school and community.

Maine Behavioral Healthcare is a leading provider of case management services, in addition to offering a full range of counseling and other mental health and substance abuse treatment services. Case management is offered at our locations in Belfast, Biddeford, Brunswick, Kittery,

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

Portland, Rockland, Springvale and Westbrook.

Behavioral Health Homes are a MaineCare service designed to help people manage their mental and physical health needs. Adults with mental illness often have other health issues they need help with, such as diabetes, heart disease, and lung disease.

The Behavioral Health Home can help people make an individual plan to address all their health needs, collaborate with their doctor, get the services and supports they need, get help with referral, obtain services when coming home from the hospital or a residential facility.

How are Behavioral Health Home services different from your current case management services? It is a team approach. Case managers work with the individual, a nurse, a clinical team leader, and a peer support specialist. It is a whole person integrated approach. The Behavioral Health Home team and primary care providers work together to improve health.

Ten of our clinical locations offer non-intensive outpatient psychiatric services. These services include psychiatric evaluations, regularly scheduled medical management, and one-on-one psychiatric treatment sessions. Clients and patients can get rapid access to these services through physician referral or a personal appointment. Many of our psychiatrists and nurse practitioners work with children, and all work with families and individual support systems.

Telemedicine - where doctor and patient see and talk to one another in real

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

time on video screens in two locations, often times many miles apart - is a growing trend in Maine and across the country. Tele-psychiatry has a proven track record of success that has been documented for years. In addition to expanding the geographic reach of psychiatrists - especially to rural areas with few doctors - there are other benefits to this technology. Tele-psychiatry can reduce the stigma of seeing a psychiatrist, and can lessen the anxiety of office visits for children and adolescents, and adults. Currently, Maine Behavioral Healthcare has a children's tele-psychiatry program based in Farmington, Maine, and plans to expand the program in the future.

Form 990, Part VI, Line 4 - Significant Changes to Organizational Documents
On April 1, 2014, Maine Mental Health Partners (MMHP) and its Members merged into a single, unified organization under the tax identification number of Spring Harbor Hospital (01-0524834). The new, merged organization was renamed Maine Behavioral Healthcare (MBH). See below for a detailed description of the new, merged organization.

Maine Behavioral Healthcare is one of Maine's largest behavioral healthcare organizations, offering the state's only complete spectrum of comprehensive and integrated care. We serve nearly 20,000 clients and patients (children, adults and their families), with inpatient (hospital) and outpatient (community) services in seven counties: York, Cumberland, Lincoln, Knox, Oxford, Sagadahoc and Waldo.

The merger of Spring Harbor Hospital, southern Maine's only nonprofit psychiatric hospital, with three large, geographically diverse nonprofit

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

community mental health agencies provides our clients, patients and their families with Maine's only complete spectrum of coordinated in-patient psychiatric care and community-based intensive and recovery treatment services. Maine Behavioral Healthcare's 30-plus clinical programs and nearly 30 service locations, ranging from York to Norway to Belfast, provide Maine residents with one of the broadest spheres of behavioral healthcare offerings in the state.

We are the only behavioral healthcare organization in Maine (and possibly the nation) that fully integrates inpatient psychiatric care with community-based treatment services. We are allied with Maine Medical Center's Department of Psychiatry, Southern Maine Health Care's Behavioral Health Services, and Pen Bay Medical Center's Department of Psychiatry, as well as 35+ MaineHealth-associated primary care practices.

As the behavioral healthcare arm of MaineHealth, the state's largest integrated healthcare system (covering 11 counties), we are uniquely positioned for wide-ranging cooperation and collaboration with multiple medical partners. Our combined clinical programs and service locations, distributed over a seven-county region that encompasses southern, western and mid-coast Maine, gives us one of the larger geographic footprints among behavioral healthcare service providers in the state. We have a long and rich history of service that goes back 150 years, to the Civil War era.

In summary, Maine Behavioral Healthcare's depth, breadth, focus and scope is unique in the state. Our commitment to create a seamless system of behavioral healthcare across Maine, including better access to medical care

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

through integration with primary care services, makes us a regional leader and a national model for treating people with serious mental health issues. Our goal is to coordinate preventive, specialty, emergency, hospital, and post-hospital care to achieve the best clinical outcomes and gain greater efficiencies and cost savings.

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

MaineHealth (EIN #01-0431680) is the sole Member of the organization. As the sole member, MaineHealth has the right to approve significant decisions of the governing body of MBH.

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

The sole member of the organization has the responsibility for the election of the members of the governing body. The officers are elected by the board of trustees, except that the CFO, COO, Chief Medical Officer and Chief Clinical & Nursing officer are appointed by the Board of Trustees based upon a recommendation of the CEO.

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 Form 990 was reviewed by the Board of Trustees. A detailed review of the Form 990 is performed by the Controller & CFO prior to the CFO signing

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number

01-0524834

and filing the return.

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

Conflict of Interest statements are obtained annually. The organization reviews the responses to these documents and addresses any issues immediately.

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

Maine Behavioral Healthcare Board of Trustees are responsible for an annual evaluation of the President/CEO and the other key administrative employees of the organization. In addition, the organization utilizes the services of an independent compensation consulting firm and industry survey.

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

The member is responsible for an annual evaluation of the President/CEO and the other key administrative employees of the organization. Compensation is evaluated by the compensation committee appointed by the member, and the organization's Board of Trustees must approve of the compensation. In addition, the organization utilizes the services of an independent compensation consulting firm and industry survey.

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 XI, Line 9 - Other Changes in Net Assets Explanation

Income on Temp Restricted Net Assets	\$	42,640
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Name of the organization MAINE BEHAVIORAL HEALTHCARE	Employer identification number 01-0524834
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Gain on Interest Rate Swap	\$ 29,820
Transfer to affiliate	\$ -93,000
Change in perpetual trust	\$ -195
Net Assets of aquired affiliates at 4/1/14	\$ 6,468,999
Disaster loss proceeds	\$ -16,540

Form 990, Part XII - Additional Information

The audited financial statements at 9/30/14 for MBH include the balance sheet as of 9/30/14 and a 12 month income statement with activity from MMHP, SHH, CCC, CSI and SHCS for 10/1/13 - 3/31/14 and for the new merged organization for 4/1/14 - 9/30/14. This 990 was prepared with six months of income activity for SHH, 10/1/13 - 3/31/14 and six months of income activity for the new merged organization for 4/1/14 - 9/30/14. The other income activity has been previously reported on the other organization's final 990s for period ending 3/31/14. Therefore, there are no audited financial statements with the same information as this 990.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number
01-0524834

Related Organizations and Unrelated Partnerships

- ▶ 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.

OMB No. 1545-0047
2013
Open to Public Inspection

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

(1)	(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) MaineHealth	110 Free Street Portland ME 04101	Healthcare	ME	501c3	11c	N/A		X
(2) Maine Medical Center	22 Bramhall Street Portland ME 04102	Hospital	ME	501c3	3	MaineHlth		X
(3) Nordx	102 Campus Drive #118 Scarborough ME 04074	Med Lab	ME	501c3	9	MaineHlth		X
(4) Lincoln County Health Care, Inc.	6 St. Andrews Lane Boothbay Harbor ME 04538	Healthcare	ME	501c3	11b	MaineHlth		X
(5) Western Maine Health Care Corp.	181 Main Street Norway ME 04268	Healthcare	ME	501c3	11b	MaineHlth		X

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

Related Organizations and Unrelated Partnerships

- ▶ 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.

OMB No. 1545-0047

2013

Open to Public Inspection

MAINE BEHAVIORAL HEALTHCARE
Employer identification number
01-0524834

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

(1)	(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)	HomeHlth-Visiting Nurses of S. ME 15 Industrial Park Drive Saco ME 04072 22-2571902	Healthcare	ME	501c3	9	MaineHlth		X
(2)	Waldo County Healthcare, Inc. P.O. Box 287 Belfast ME 04915-0287 22-2864961	Healthcare	ME	501c3	11b	MaineHlth		X
(3)	Pen Bay Healthcare 4 White Street Rockland ME 04841 22-2494475	Healthcare	ME	501c3	11b	MaineHlth		X
(4)	Geriatric Resource Network 110 Free Street Portland ME 04101 01-0542842	Healthcare	ME	501c3	9	MaineHlth		X
(5)	MaineHealth Cardiology 110 Free Street Portland ME 04101 42-2525629	Healthcare	ME	501c3	9	MaineHlth		X

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

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

MAINE BEHAVIORAL HEALTHCARE

Employer identification number
01-0524834

Related Organizations and Unrelated Partnerships

- ▶ 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.

OMB No. 1545-0047

2013

Open to Public Inspection

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

(1)	(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)	Southern Maine Health Care P.O. Box 626 Biddeford ME 04005-0626 01-0179500	Healthcare	ME	501c3	3	MaineHlth		X
(2)	The Memorial Hospital 3073 White Mountain Highway North Conway NH 03860-5001 02-0222156	Hospital	NH	501c3	3	MaineHlth		X
(3)								
(4)								
(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) MaineHealth Accountable Care Org. 110 Free Street Portland ME 04101 45-2929273	Healthcare	ME	N/A	N/A				X			X	
(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) Maine Physician Hospital Org 110 Free St. Portland ME 04101 01-0527540	Healthcare	ME	N/A	C					X
(2) Synernet, Inc. 110 Free St. Portland ME 04101 01-0539789	Healthcare	ME	N/A	C					X
(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.

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

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

j Lease of facilities, equipment, or other assets to related organization(s)

k Lease of facilities, equipment, or other assets from related organization(s)

l Performance of services or membership or fundraising solicitations for related organization(s)

m Performance of services or membership or fundraising solicitations by related organization(s)

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

r Other transfer of cash or property to related organization(s)

s Other transfer of cash or property from related organization(s)

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	Yes	No
(1)						X
(2)						X
(3)						X
(4)						X
(5)						X
(6)						X

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.

(1)	(a)	(b)	(c)	(d)	(e)		(f)	(g)	(h)		(i)		(j)	(k)
					Are all partners section 501(c)(3) organizations?	Yes			No	Disproportionate allocations?	Yes	No		
(1)														
(2)														
(3)														
(4)														
(5)														
(6)														
(7)														
(8)														
(9)														
(10)														
(11)														

Minimum Filing Fee \$10.00. An additional \$16 filing fee if changing the purpose.

DOMESTIC
NONPROFIT CORPORATION

STATE OF MAINE

ARTICLES OF AMENDMENT

Maine Mental Health Partners

(Name of Corporation)

File No. 19990297ND Pages 2
Fee Paid \$ 10
DCN 2140952300064 LNME
FILED
04/04/2014

Julie H. Stepan
Deputy Secretary of State

A True Copy When Attested By Signature
Julie H. Stepan
Deputy Secretary of State

Pursuant to 13-B MRSA §§802 and 803, the undersigned corporation executes and delivers the following Articles of Amendment:

FIRST: ("X" one box only.) public benefit corporation mutual benefit corporation

SECOND: Describe NATURE OF CHANGE (i.e. change in name of corporation, purpose, number of directors, adding or deleting section or revision of section, etc.) as well as TEXT of amendment. Attach additional pages as needed.

NATURE OF CHANGE:

Change the name of the corporation from Maine Mental Health Partners to Maine Behavioral
Healthcare

TEXT OF CHANGE:

That Article FIRST of the Articles of Incorporation be amended to read as follows:

The name of the corporation is Maine Behavioral Healthcare

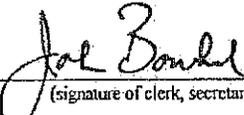
THIRD: ("X" one box only.) The amendment was adopted on (date) April 3, 2014 as follows:

- By the members at a meeting at which a quorum was present and the amendment received at least a majority of the votes which members were entitled to cast.
- (If the Articles require more than a majority vote.) By the members at a meeting at which the amendment received at least the percentage of votes required by the Articles of Incorporation.
- By the written consent of all members entitled to vote with respect thereto.
- (If no members, or none entitled to vote thereon,) By majority vote of the board of directors.

FOURTH: The address of the registered office of the corporation in the State of Maine is 123 Andover Road
Westbrook, ME 04092
(street, city, state and zip code)

DATED 4/3/14

*By 
(signature)
Dennis P. King, President and CEO
(type or print name and capacity)

**MUST BE COMPLETED FOR VOTE
OF MEMBERS**
I certify that I have custody of the minutes showing
the above action by the members.

(signature of clerk, secretary or asst. secretary)

John Bouchard, Secretary

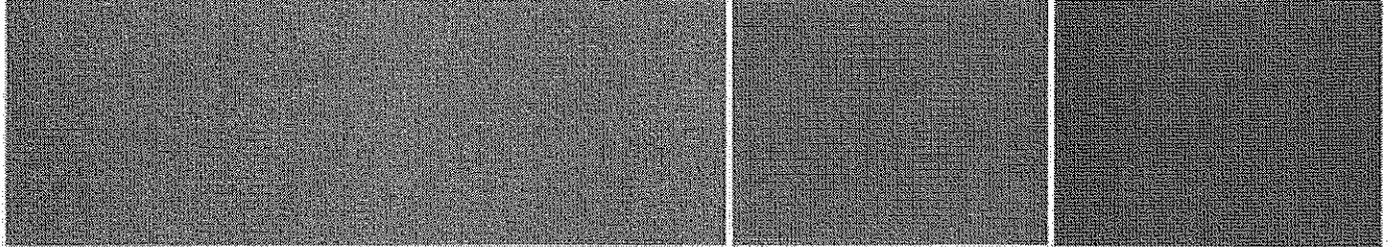
*By _____
(signature)

(type or print name and capacity)

*This document MUST be signed by any duly authorized officer. (13-B MRSA §104.1.B)

Please remit your payment made payable to the Maine Secretary of State.

SUBMIT COMPLETED FORMS TO: CORPORATE EXAMINING SECTION, SECRETARY OF STATE,
101 STATE HOUSE STATION, AUGUSTA, ME 04333-0101



MAINE BEHAVIORAL HEALTHCARE

FINANCIAL STATEMENTS

Years Ended September 30, 2014 and 2013

With Independent Auditor's Report



MAINE BEHAVIORAL HEALTHCARE

Financial Statements

September 30, 2014 and 2013

	<u>Page(s)</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Net Assets	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 25



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Maine Behavioral Healthcare

We have audited the accompanying financial statements of Maine Behavioral Healthcare, which comprise the balance sheets as of September 30, 2014 and 2013, and the related statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Trustees
Maine Behavioral Healthcare

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maine Behavioral Healthcare as of September 30, 2014 and 2013, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matter

As explained in Note 1 to the financial statements, Maine Behavioral Healthcare underwent a reorganization during 2014. The Organization was previously known as Maine Mental Health Partners. Our opinion is not modified with respect to that matter.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
February 6, 2015

MAINE BEHAVIORAL HEALTHCARE

Balance Sheets

September 30, 2014 and 2013

ASSETS

	<u>2014</u>	<u>2013</u>
Current assets		
Cash and cash equivalents	\$ 2,229,465	\$ 10,259,333
Assets held in trust under debt agreements	407,264	443,530
Short-term investments	14,822,963	5,111,614
Patient accounts receivable, net	5,656,950	4,381,089
Accounts receivable, other	791,301	1,208,586
Inventories	128,987	125,062
Prepaid expenses and other current assets	<u>144,284</u>	<u>130,647</u>
Total current assets	<u>24,181,214</u>	<u>21,659,861</u>
Assets whose use is limited by		
Specific purpose funds	831,012	2,221,500
Grant funds	387,068	177,345
Beneficial interest in perpetual trusts	130,764	158,154
Endowment funds	690,430	615,347
Assets held in trust under debt agreements	<u>505,157</u>	<u>1,534,485</u>
Assets held in trust under debt agreements, current portion	<u>2,544,431</u> <u>(407,264)</u>	<u>4,706,831</u> <u>(443,530)</u>
Total assets whose use is limited, net of current portion	<u>2,137,167</u>	<u>4,263,301</u>
Property, plant and equipment, net	28,602,664	27,545,270
Long-term prepaid expenses	832,748	723,756
Other long-term assets	<u>414,864</u>	<u>509,198</u>
Total assets	<u>1,247,612</u>	<u>1,232,954</u>
Total assets	<u>\$ 56,168,657</u>	<u>\$ 54,701,386</u>

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
Current liabilities		
Line of credit	\$ -	\$ 921,000
Current portion of long-term debt	1,328,459	1,303,240
Accounts payable, accrued expenses and other current liabilities	969,091	961,269
Accrued payroll, payroll taxes and amounts withheld	2,417,280	2,118,951
Accrued vacation, holiday and sick pay	2,082,641	2,051,574
Accrued interest payable	212,246	217,962
Due to affiliates	<u>364,787</u>	<u>568,863</u>
Total current liabilities	7,374,504	8,142,859
Amounts payable under reimbursement regulations	7,576,123	4,573,044
Long-term debt, net of current portion	22,313,453	23,641,349
Interest rate swaps	272,458	344,591
Other long-term liabilities	<u>229,177</u>	<u>269,239</u>
Total liabilities	<u>37,765,715</u>	<u>36,971,082</u>
Commitments and contingencies (Notes 6, 7 and 12)		
Net assets		
Unrestricted	16,975,863	16,670,438
Temporarily restricted	758,834	395,704
Permanently restricted	<u>668,245</u>	<u>664,162</u>
Total net assets	<u>18,402,942</u>	<u>17,730,304</u>
Total liabilities and net assets	<u>\$ 56,168,657</u>	<u>\$ 54,701,386</u>

MAINE BEHAVIORAL HEALTHCARE

Statements of Operations

Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Unrestricted revenue and other support		
Patient service revenue (net of contractual allowances and discounts)	\$ 65,357,167	\$ 66,135,715
Less provision for bad debts	<u>1,239,091</u>	<u>1,312,922</u>
Net patient service revenue	64,118,076	64,822,793
Other revenue	9,821,661	9,507,608
Net assets released from restrictions used for operations	<u>208,906</u>	<u>278,034</u>
Total unrestricted revenue and other support	<u>74,148,643</u>	<u>74,608,435</u>
Expenses		
Salaries	44,620,918	44,513,128
Employee benefits	11,698,023	11,265,143
Medical supplies	552,640	593,644
Nonmedical supplies	1,289,623	1,215,507
Purchased services	6,084,665	6,188,427
Professional fees	381,303	374,201
Facility costs	3,088,947	2,879,558
State tax	1,332,602	1,419,180
Interest	955,457	950,751
Depreciation and amortization	1,877,847	1,941,562
Other	<u>1,962,405</u>	<u>1,969,956</u>
Total expenses	<u>73,844,430</u>	<u>73,311,057</u>
Income from operations	<u>304,213</u>	<u>1,297,378</u>
Nonoperating gains		
Change in fair value of interest rate swaps	72,133	158,627
Return on investments	<u>22,079</u>	<u>28,137</u>
Excess of revenue over expenses	<u>94,212</u>	<u>186,764</u>
Excess of revenue over expenses	398,425	1,484,142
Net asset transfers to MaineHealth	<u>(93,000)</u>	<u>(103,300)</u>
Increase in unrestricted net assets	<u>\$ 305,425</u>	<u>\$ 1,380,842</u>

The accompanying notes are an integral part of these financial statements.

MAINE BEHAVIORAL HEALTHCARE

Statements of Changes in Net Assets

Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Unrestricted revenue and other support		
Excess of revenue over expenses	\$ 398,425	\$ 1,484,142
Net asset transfers to MaineHealth	<u>(93,000)</u>	<u>(103,300)</u>
Increase in unrestricted net assets	<u>305,425</u>	<u>1,380,842</u>
Temporarily restricted net assets		
Gifts and donations	515,715	217,273
Return on investments	56,321	61,737
Net assets released from restrictions used for operations	<u>(208,906)</u>	<u>(278,034)</u>
Increase in temporarily restricted net assets	<u>363,130</u>	<u>976</u>
Permanently restricted net assets		
Contributions	-	5,894
Change in beneficial interest in perpetual trusts	<u>4,083</u>	<u>6,349</u>
Increase in permanently restricted net assets	<u>4,083</u>	<u>12,243</u>
Increase in net assets	672,638	1,394,061
Net assets, beginning of year	<u>17,730,304</u>	<u>16,336,243</u>
Net assets, end of year	<u>\$18,402,942</u>	<u>\$17,730,304</u>

The accompanying notes are an integral part of these financial statements.

MAINE BEHAVIORAL HEALTHCARE
Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Increase in net assets	\$ 672,638	\$ 1,394,061
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Net asset transfers to MaineHealth	93,000	103,300
Depreciation and amortization	1,877,847	1,941,562
Amortization of bond premium/discount	(74,248)	(74,248)
Net realized gain on sale of investments	(43,092)	(32,302)
Contributions restricted for long-term investment	(310,000)	-
Net unrealized gain on investments	(5,491)	(21,514)
Change in value of beneficial interest in perpetual trust	(4,083)	(6,349)
Provision for bad debts	1,239,091	1,312,922
Change in interest rate swap liability	(72,133)	(158,627)
Increase (decrease) in cash resulting from a change in		
Patient accounts receivable, net	(2,514,952)	(1,181,225)
Accounts receivable, other	417,285	(334,115)
Inventories	(3,925)	40,336
Prepaid expenses and other current assets	(13,637)	572,844
Other long-term assets	(157,894)	(659,008)
Accounts payable, accrued expenses and other current liabilities	7,822	(1,195,793)
Accrued payroll, payroll taxes and amounts withheld	298,329	(126,295)
Accrued vacation, holiday and sick pay	31,067	34,634
Accrued interest payable	(5,716)	(10,316)
Due to affiliates, net	(204,076)	1,597,196
Amounts payable under reimbursement regulations	3,003,079	2,702,335
Other long-term liabilities	(40,062)	(22,214)
Net cash provided by operating activities	<u>4,190,849</u>	<u>5,877,184</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(2,821,239)	(1,870,595)
Contributions restricted for long-term investment	310,000	-
Insurance proceeds related to damage to building	29,233	-
Purchase of short-term investments and assets whose use is limited	(7,496,282)	(1,055,675)
Net cash used by investing activities	<u>(9,978,288)</u>	<u>(2,926,270)</u>
Cash flows from financing activities		
Net asset transfers to MaineHealth	(93,000)	(103,300)
(Payments) advances on line of credit	(921,000)	921,000
Payments on long-term debt	(1,228,429)	(1,074,802)
Proceeds from issuance of long-term debt	-	1,000,000
Net cash (used) provided by financing activities	<u>(2,242,429)</u>	<u>742,898</u>
(Decrease) increase in cash and cash equivalents	<u>(8,029,868)</u>	<u>3,693,812</u>
Cash and cash equivalents at beginning of year	<u>10,259,333</u>	<u>6,565,521</u>
Cash and cash equivalents at end of year	<u>\$ 2,229,465</u>	<u>\$ 10,259,333</u>
Supplemental information:		
Interest paid	<u>\$ 961,174</u>	<u>\$ 961,067</u>

The accompanying notes are an integral part of these financial statements.

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

1. Reporting Entity

Organization

Maine Behavioral Healthcare (MBH) is a subsidiary of MaineHealth, an integrated health care delivery system serving Southern, Western and Central Maine. MaineHealth is also the parent company of Maine Medical Center and Subsidiaries (MMC), Lincoln County Health Care and Subsidiaries, Western Maine Health Care Corporation and Subsidiaries, Home Health Visiting Nurses of Southern Maine, NorDx, Maine Medical Partners, Maine Physician Hospital Organization, Inc., Synernet, Inc., Waldo County Healthcare, Inc. and Subsidiaries, Southern Maine Health Care and Subsidiaries, Pen Bay Healthcare and Subsidiaries (Pen Bay) and Memorial Hospital.

In 2014, the following corporate entities merged into Spring Harbor Hospital (SHH): Maine Mental Health Partners (MMHP), Community Counseling Center (CCC), Counseling Services, Inc. (CSI) and Spring Harbor Community Services (SHCS). Contemporaneously with this merger, Spring Harbor Hospital changed its name to Maine Behavioral Healthcare (MBH), thus bringing together these organizations as one unified organization on March 31, 2014. MBH's hospital facility d/b/a Spring Harbor Hospital is located in Westbrook, Maine. It is southern Maine's only nonprofit, private psychiatric hospital and a comprehensive provider of inpatient services for individuals who experience acute mental illness or dual disorder issues. MBH provides 24-hour information and referral, voluntary and involuntary hospitalization and comprehensive discharge planning. Other community and outpatient services include therapy, case management, substance abuse, trauma, residential and supported housing services for adults, medication management, crisis, peer day support, and primary care integration.

As part of the MaineHealth system, the MBH network is clinically integrated with other MaineHealth mental health providers, hospitals and primary care sites to ensure easy and timely access to treatment and safe and effective transitions between services. Through a unique collaboration with MMC, MBH is able to offer a complete array of psychiatric treatment, physician-training, and medical-research programs.

Information prior to March 31, 2014 in the accompanying financial statements presents the consolidated financial position, results of operations, changes in net assets and cash flows of MMHP, SHH, CCC, CSI and SHCS. All material inter-entity transactions and balances have been eliminated.

2. Significant Accounting Policies

The accounting policies that affect the more significant elements of the financial statements are summarized below:

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates are made in the areas of patient accounts receivable and amounts receivable or payable under reimbursement regulations.

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt securities purchased with a maturity date at purchase of three months or less.

Short-Term Investments and Assets Whose Use is Limited

Assets whose use is limited includes specific purpose funds, beneficial interest in perpetual trusts, endowment and short-term funds held by MMC, and assets held in trust under debt agreements.

Beneficial Interest in Perpetual Trusts

MBH is the beneficiary of perpetual trusts. MBH's interest in these perpetual trusts is reported as a contribution in the year received at the fair value of MBH's share of the trusts investments, which approximates the present value of estimated future distributions. Valuation changes are reported as a change in permanently restricted net assets in the statements of changes in net assets.

Inventories

Inventories are stated at the lower of cost (determined by the first-in, first-out method) or market.

Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, MBH analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, MBH analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients, MBH records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. The carrying value of long-lived assets is reviewed if facts and circumstances suggest that it may be impaired. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets.

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

Interest Rate Swaps

MBH uses interest rate swap contracts to eliminate the cash flow exposure of interest rate movements on variable-rate debt. MBH has adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification 815, *Derivatives and Hedging*, to account for its interest rate swap contracts. The interest rate swap contracts are not designated as cash flow hedges, and thus are included within the performance indicator.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by MBH has been limited by donors or law to a specific time period or use. Permanently restricted net assets reflect the original value of gifts that have been restricted by donors to be maintained by MBH in perpetuity, as well as the net present value of the expected future cash flows of perpetual trusts.

Maine state law requires that unless explicitly stated otherwise by donors, realized gains and unrealized appreciation on investments of endowment funds, until appropriated pursuant to proper governing Board action, must be considered temporarily restricted net assets.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to MBH are reported at fair value at the date the promise is received. Conditional promises to give are recognized when the conditions are substantially met. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are included in other revenue in the accompanying financial statements.

Excess of Revenue Over Expenses

The statements of operations include excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from excess of revenue over expenses, include contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets), and permanent transfers of assets to and from MaineHealth or other member organizations.

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

Net Patient Service Revenue

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations. Contracts, laws and regulations governing the Medicare and MaineCare programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Charity Care

MBH provides charity care programs for patients without the ability to pay for care themselves. Care is provided without charge or at amounts less than its established rates to patients who meet certain criteria established by charity care policies. Charity care is measured based on MBH's established rates. Because MBH does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue. The costs and expenses incurred in providing these services are included in operating expenses.

Other Revenue

Revenue, which is not related to patient medical care and which is incidental to the day-to-day operations of MBH, is included in other revenue. Other revenue primarily includes grant revenue, contract revenue, cafeteria revenue and donor-restricted contributions whose restrictions were met within the same year as received.

Amounts Receivable/Payable Under Reimbursement Regulations

Amounts receivable/payable under reimbursement regulations represent estimates of final settlements under government programs (Medicare and MaineCare) and agreements with private insurance companies. Amounts due under these programs will become determinable and final only upon completion of settlement reporting and subsequent audit as required under the terms of agreements with respective third-party reimbursing agencies. Any amounts due within one year are recorded as current liabilities, and remaining balances are reported as long-term on the balance sheet.

Income Tax Status

MBH and all of its subsidiaries are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC.

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, MBH has considered transactions or events occurring through February 6, 2015, which was the date the financial statements were available to be issued.

Reclassifications

Certain amounts in the 2013 financial statements have been reclassified to conform with the 2014 presentation.

3. Community Benefit Programs

As not-for-profit institutions dedicated to community service, MBH provides many services for the benefit of the community in addition to charity care. These activities include depression screening clinics, targeted outreach to vulnerable populations, as well as providing a number of specific educational seminars on a variety of mental health issues.

4. Net Patient Service Revenue

MBH has agreements with third-party payors that provide for payments to MBH at amounts different from established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare – Inpatient acute care services rendered to Medicare program beneficiaries are currently paid under a combination of fee schedule and per diem rates. Outpatient and community-based direct care services are currently paid based upon established fee schedules.

MaineCare – Formerly named Medicaid, MaineCare is a medical assistance program offered by the State of Maine Department of Health and Human Services. At SHH, inpatient services rendered to MaineCare program beneficiaries are reimbursed based on adjustments from established charges and outpatient services are reimbursed based on a percentage of cost. MBH also operates several outpatient programs under contract with the State of Maine, which are reimbursed based on established case rates. Inpatient care is reimbursed at an interim rate with final settlement determined after submission of annual claims data by MBH and review thereof by the State of Maine Division of Audit.

In 2004, the State of Maine, facing significant budget deficits, passed legislation establishing a health care provider tax (State tax). The enactment of the State tax allowed the State of Maine to add revenues to the State of Maine General Fund while minimizing the potential loss of federal matching funds in the MaineCare Program. MBH's specific portion of the State tax is based on a percentage of MBH's net operating revenue as defined by the law and was effective retroactive to July 1, 2003. As a result, MBH recorded \$1,332,602 and \$1,419,180 of State tax in 2014 and 2013, respectively.

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

Other Payors – MBH has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to MBH under these agreements includes discounts from established charges, per diem rates, as well as case rate arrangements.

Net patient service revenue for the years ended September 30, 2014 and 2013 consists of the following:

	<u>2014</u>	<u>2013</u>
Inpatient services	\$ 52,533,547	\$ 50,507,655
Outpatient services	<u>43,584,357</u>	<u>45,644,981</u>
Total gross charges	96,117,904	96,152,636
Deductions from gross charges		
Contractual adjustments	22,697,459	20,727,865
Charity care	<u>8,063,278</u>	<u>9,289,056</u>
Patient service revenue (net of contractual allowances and discounts)	65,357,167	66,135,715
Less provision for bad debts	<u>1,239,091</u>	<u>1,312,922</u>
Net patient service revenue	<u>\$ 64,118,076</u>	<u>\$ 64,822,793</u>

Patient service revenue (net of contractual allowances and discounts), recognized during the year ended September 30 from these major payor sources, is as follows:

	<u>2014</u>	<u>2013</u>
Medicare	\$ 5,907,801	\$ 4,673,957
MaineCare	49,633,186	51,311,681
Anthem Blue Cross and Blue Shield	4,004,059	3,439,954
Other third-party payors	4,847,400	5,733,880
Patients	<u>964,721</u>	<u>976,243</u>
Total	<u>\$ 65,357,167</u>	<u>\$ 66,135,715</u>

Net patient service revenue increased approximately \$511,000 during 2013 as a result of favorable settlements with third-party payors regarding prior years. There was no such impact during 2014.

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

MBH provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its Board-established free care policy. Because MBH does not pursue collection of amounts determined to qualify as free care, they are not reported as net patient service revenue. MBH estimates the costs associated with providing charity care by calculating a ratio of total cost to total gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. The estimated costs of caring for charity care patients for the years ended September 30, 2014 and 2013 were approximately \$5,111,000 and \$5,820,000, respectively. Funds received from gifts and grants to subsidize charity care services provided for the years ended September 30, 2014 and 2013 were approximately \$147,000 and \$182,000, respectively.

5. Accounts Receivable

MBH's allowance for doubtful accounts for self-pay patients decreased from 88% of self-pay accounts receivable at September 30, 2013, to 86% of self-pay accounts receivable at September 30, 2014. MBH's self-pay write-offs, net of recoveries, increased \$318,891 from \$1,214,006 for fiscal year 2013 to \$1,532,902 for fiscal year 2014. MBH has not changed its free care or uninsured discount policies during fiscal years 2013 or 2014. MBH does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors. MBH recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for free care, MBH recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of MBH's uninsured patients will be unable or unwilling to pay for the services provided. Thus, MBH records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Patient accounts receivable consists of the following at September 30:

	<u>2014</u>	<u>2013</u>
Patient accounts receivable	\$ 10,487,204	\$ 9,856,343
Less:		
Allowances for contractual adjustments from third-party reimbursing agencies	2,634,981	3,653,838
Allowance for bad debts	<u>2,195,273</u>	<u>1,821,416</u>
	<u>\$ 5,656,950</u>	<u>\$ 4,381,089</u>

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

6. Financial Instruments

Short-Term Investments and Assets Whose Use is Limited

The composition of investments whose use is limited at September 30, 2014 and 2013 is set forth in the following table:

	<u>2014</u>	<u>2013</u>
Assets held in trust under debt agreements	\$ 505,157	\$ 1,534,485
Other assets whose use is limited	<u>2,039,274</u>	<u>3,172,346</u>
	<u>\$ 2,544,431</u>	<u>\$ 4,706,831</u>
Cash and cash equivalents	\$ 1,729,140	\$ 3,939,233
Beneficial interest in perpetual trusts	130,764	158,154
Pooled investments held by MMC	<u>684,527</u>	<u>609,444</u>
	<u>\$ 2,544,431</u>	<u>\$ 4,706,831</u>

Returns on investments consisted of the following for the years ended September 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Interest and dividends	\$ 29,817	\$ 36,058
Realized gains on sales of investments, net	43,092	32,302
Change in unrealized gains on investments, net	<u>5,491</u>	<u>21,514</u>
	<u>\$ 78,400</u>	<u>\$ 89,874</u>

Assets whose use is limited include amounts restricted by donors. Also included is the debt service fund which is comprised of monthly deposits to fund principal and interest payments on the Series 2012 Revenue Bonds. The investments required to be trusted under debt agreements were \$407,261 and \$443,530 at September 30, 2014 and 2013, respectively.

At September 30, 2014 and 2013, MBH is required to have \$97,896 and \$90,955, respectively, in replacement reserve monies related to various mortgages.

At September 30, 2013, proceeds of a \$1 million loan to implement the CareFirst system are also reflected as assets held in trust under debt agreements.

Short-term investments are funds in a pooled account held by MMC, mainly comprised of fixed income securities.

MMC invests certain assets on behalf of MBH. MMC invests the amount in an investment pool and allocates the return from the investment pool to MBH. The investment pool is invested in a variety of investments including temporary cash investments, hedge funds, limited partnerships, marketable equity securities, and fixed income securities. The investment amounts are available to MBH on demand. The amount of assets held by MMC at September 30, 2014 and 2013 is \$684,527 and \$609,444, respectively.

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

Fair Value Measurements

U.S. GAAP has established a fair value hierarchy that results in classification of assets and liabilities within these different levels. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following categories:

Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services. Level 2 assets are valued based on quoted market prices for identical or similar assets.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, not based on market transactions. Level 3 valuations incorporate certain assumptions in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, MBH performs a detailed analysis of the assets and liabilities that are subject to fair value measurement. At each reporting period, all assets and liabilities for which the fair value measurement is not based on market transactions are classified as Level 3. Level 3 assets for MBH include the beneficial interest in perpetual trusts as MBH's legal interest is in its pro rata portion of the trusts and not the trusts' underlying assets. MBH's interest is valued based upon its pro rata ownership of the total trust. As the actual assets are not readily available to MBH, the asset is considered to be Level 3.

The following table presents the balances of investments measured at fair value at September 30, 2014 and 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2014</u>				
Assets				
Cash and cash equivalents	\$ 1,729,140	\$ -	\$ -	\$ 1,729,140
Assets held by MMC	-	684,527	-	684,527
Short-term investments	-	14,822,963	-	14,822,963
Beneficial interest in perpetual trust	-	-	130,764	130,764
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,729,144</u>	<u>\$ 15,507,490</u>	<u>\$ 130,764</u>	<u>\$ 17,367,398</u>
Liabilities				
Interest rate swap	<u>\$ -</u>	<u>\$ 272,458</u>	<u>\$ -</u>	<u>\$ 272,458</u>

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

<u>2013</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 3,939,233	\$ -	\$ -	\$ 3,939,233
Assets held by MMC	-	609,444	-	609,444
Short-term investments	-	5,111,614	-	5,111,614
Beneficial interest in perpetual trusts	-	-	158,154	158,154
Total assets	<u>\$ 3,939,233</u>	<u>\$ 5,721,058</u>	<u>\$ 158,154</u>	<u>\$ 9,818,445</u>
Liabilities				
Interest rate swap	<u>\$ -</u>	<u>\$ 344,591</u>	<u>\$ -</u>	<u>\$ 344,591</u>

All assets held by MMC are classified as Level 2 as amounts held could be converted to cash at any time, but the underlying investments are not available to MBH.

Assets held by MMC consist of the following at September 30:

	<u>2014</u>	<u>2013</u>
Bonds	8%	8%
Marketable equity securities	7	14
Mutual funds	40	29
Other	<u>4</u>	<u>49</u>
	<u>100%</u>	<u>100%</u>

Level 2 liabilities are valued at the present value of the expected future cash flows, taking into consideration current interest rates and the current creditworthiness of the counterparty.

The fair value of the beneficial interest in perpetual trusts is based on the underlying assets of the trusts reported by the trustees, which all have readily determinable fair values. The underlying investments are not readily available to MBH and are therefore considered a Level 3 investment.

A reconciliation of the fair value measurements using significant unobservable inputs (Level 3) is as follows:

	<u>2014</u>	<u>2013</u>
Beginning balance	\$ 158,154	\$ 151,805
Transfers from trustee	(31,473)	-
Change in value	<u>4,083</u>	<u>6,349</u>
	<u>\$ 130,764</u>	<u>\$ 158,154</u>

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

Long-Term Debt

At September 30, 2014 and 2013, long-term debt consists of the following:

	<u>2014</u>	<u>2013</u>
Maine Health and Higher Educational Facilities Authority (MHHEFA), SHH Revenue Bonds Series 2012A Serial Bonds; payable in various installments of principal and interest through 2032, interest rates ranging from 2% to 5% (net of original issue premium of \$1,243,638 and \$1,317,884 at September 30, 2014 and 2013, respectively).	\$ 19,640,382	\$ 20,474,629
Mortgage notes payable in monthly installments of \$1,860, including interest at 4.25% and 6.00% through 2017 and 2026, respectively; collateralized by land and buildings in Rockland, Maine.	146,394	159,361
Mortgage note payable through TD Bank in monthly installments of \$15,244 through 2028, including a variable rate of interest based on one month LIBOR (1.51% at September 30, 2014); collateralized by land and buildings in Biddeford and Saco, Maine.	2,270,349	2,435,465
Mortgage note payable through TD Bank in monthly installments of \$7,821 through 2017, including a variable rate of interest based on one month LIBOR (1.51% at September 30, 2014); collateralized by land and buildings in Springvale, Maine.	260,122	351,930
Note payable to Maine State Housing Authority (MSHA), original principal amount of \$480,994 without interest, 20% of the original principal forgiven upon the closing date of the note, 40% forgivable 15 years after the closing date, and the balance of the note forgivable 30 years after the closing date; collateralized by land and building located in Sanford, Maine.	384,795	384,795
Note payable to MSHA, original principal of \$150,000 without interest. Repayment is deferred until the earliest of 1) a sale, assignment or other transfer or change in use of the High Street property, 2) a default under the loan documents, or 3) 30 years from the closing date of the loan; collateralized by land, building, machinery, equipment, and fixtures in Sanford, Maine.	150,000	150,000

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

Note payable through TD Bank in monthly installments of \$17,653, including interest at 2.25% through 2018; collateralized by a security interest in all deposits held by the bank	743,536	936,016
1% note payable to MSHA, due in monthly installments, including interest of \$546; collateralized by land and building in Biddeford, Maine; due January 2022.	<u>46,334</u>	<u>52,393</u>
	23,641,912	24,944,589
Less portion classified as current liability	<u>(1,328,459)</u>	<u>(1,303,240)</u>
	<u>\$22,313,453</u>	<u>\$23,641,349</u>

During 2002, SHH issued Spring Harbor Hospital Series 2002A Revenue Bonds through MHHEFA for \$26,808,972. The proceeds were used to build a 100-bed replacement psychiatric facility and acquire a new computer information system.

In July 2012, Series 2012A Revenue Bonds in the amount of \$19,817,497 were issued at a net premium of \$1,466,380 through MHHEFA for the purpose of refunding its Series 2002A Revenue Bonds. Accumulated accretion of the bond premium was \$222,743 and \$148,496 at September 30, 2014 and 2013, respectively. The bonds are collateralized by substantially all of the property and equipment of SHH and a security interest in all its gross receipts.

Deferred financing costs represent the costs incurred in connection with the issuance of the Bonds. These costs are being amortized on a straight-line basis over the term of the Bonds and are classified within other long-term assets on the balance sheets. Amortization expense for the years ended September 30, 2014 and 2013 was \$22,565.

Maturities of long-term debt for the five fiscal years after September 30, 2014 and years thereafter are as follows:

2015	\$ 1,328,459	
2016	1,363,791	
2017	1,393,435	
2018	1,279,100	
2019	1,170,673	
Thereafter	<u>17,106,454</u>	
	<u>\$ 23,641,912</u>	

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

The Board of MMC adopted a System Funding Agreement and a Corporate Model Master Trust Indenture (the "Indenture") and the Board of Trustees of MaineHealth adopted a System Funding Agreement and a Parent Model Master Trust Indenture. These actions resulted in the creation of an Obligated Group for the MaineHealth system. MaineHealth subsidiaries that are Designated Affiliates of the Obligated Group have access to lower cost capital and less restrictive debt covenants. The Designated Affiliates are indirectly liable for the debt service on the obligation issued under the Indenture for each participant. MMC must remain a part of the Obligated Group, but has approval authority over new subsidiaries of MaineHealth requesting participation in the Obligated Group. On September 30, 2014 and 2013, the Obligated Group has obligations totaling approximately \$173,256,000 and \$171,788,000, respectively, with maturities ranging through 2036 that are covered under the Master Trust Indenture. MBH is indirectly liable for debt service payments on obligations of approximately \$153,616,000 and \$151,313,000 at September 30, 2014 and 2013, respectively. As a result of additional debt issued in January 2015, MBH's indirect liability increased to \$202,301,000. MBH does not presently expect to be required to perform under this indirect obligation.

Line of Credit

MBH has a line of credit agreement with a bank-bearing variable interest based on LIBOR plus 1.5%, with a floor rate of 2.00%. The maximum borrowing under the line of credit is \$4,750,000. There was \$921,000 outstanding under the line as of September 30, 2013 and no amounts outstanding as of September 30, 2014. The line of credit expires on March 31, 2015.

Interest Rate Swaps

In connection with the notes payable through TD Bank, there are two interest rate swap agreements to hedge the interest rate risk associated with the notes. Under these agreements, MBH makes and receives payments based on the difference between the fixed-rate and the variable market-indexed rate. The notional amounts of the interest rate swaps outstanding totaled \$2,530,471 and \$2,787,395 at September 30, 2014 and 2013, respectively. The two interest rate swap agreements, expiring on December 21, 2020 and July 13, 2017, respectively, require MBH to pay a fixed interest rate of 5.20% and 5.55% in exchange for a variable rate of 1.5075% at September 30, 2014.

MBH is required to include the fair value of the swaps in the balance sheet, and annual changes, if any, in the fair value of the swaps in the statements of operations. For example, during the Bonds' 20-year holding period, the annually calculated value of the swaps will be reported as an asset if the interest rates increase above those in effect on the date the swap was entered into (and as an unrealized gain in the statements of operations), which will generally be indicative that the net fixed rate MBH is paying is below market expectations of rates during the remaining term of the swap. The swap will be reported as a liability (and as an unrealized loss in the statements of operations) if interest rates decrease below those in effect on the date the swap was entered into, which will generally be indicative that the net fixed rate MBH is paying on the swap is above market expectations of rates during the remaining term of the swap. These annual adjustments of value changes in the swap transaction are non-cash recognition requirements, the net effect of which will be zero at the end of the 20-year terms. MBH retains the sole right to terminate the swap agreements. MBH recorded the swap at its liability position of \$272,458 and \$344,591 at September 30, 2014 and 2013, respectively.

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

7. Property, Plant and Equipment

Property, plant and equipment consists of the following at September 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Land	\$ 2,915,688	\$ 2,915,688
Land improvements	1,344,461	1,318,548
Buildings	31,135,475	30,903,565
Leasehold improvements	539,825	507,685
Equipment	7,750,275	8,817,509
Construction in progress	<u>3,159,380</u>	<u>1,168,186</u>
	46,845,104	45,631,181
Less accumulated depreciation	<u>(18,242,440)</u>	<u>(18,085,911)</u>
	<u>\$ 28,602,664</u>	<u>\$ 27,545,270</u>

In 2012, prior to the merger of MMHP, SHCS, CSI, and CCC (the "Merging Companies") into MBH, the Boards of MBH and the Merging Companies approved the expenditure of up to \$3.6 million for acquisition and implementation of the CareFirst software operating system for use by all five corporations. MBH borrowed \$1 million from TD Bank at 2.25% with a MaineHealth guaranty and payable over sixty (60) months as the source of funds for CCC and SHCS to pay their allocated share.

Since that time, MBH has determined that there is a need to adjust the project budget to reflect an additional \$3.2 million in project costs, for a total project cost of \$6.8 million, due to factors including assignment of additional personnel to the project, outsourcing of certain customization services, addition of hardware required to support the application, and addition of users from the MMC outpatient mental health services managed by MBH (i.e., McGeachey Hall).

Funding for the above expenditures is expected to come from Electronic Health Record (EHR) incentive program funding (estimated \$1,300,000), an expected contribution from MMC (estimated \$800,000) related to the addition of McGeachey Hall to the project, contract revenue from the Department of Health and Human Services for adding the State Psychiatric Hospitals to the platform (estimated \$600,000) and MBH cash-flow (estimated \$500,000).

MBH will be requesting this additional funding of their Boards and the MaineHealth Board in the coming months.

Depreciation expense for the years ended September 30, 2014 and 2013 was \$1,579,183 and \$1,705,585, respectively.

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

8. Retirement Plan

MBH established a 403(b) plan whereby employees may elect to make contributions pursuant to a salary and wage withholding agreement upon meeting certain age and service requirements. Under the plan, eligible employees may receive an employer contribution equal to 50% of the first 8% of employee deferrals. Employer contributions for the plan years ended September 30, 2014 and 2013 approximated \$777,000 and \$709,000, respectively.

9. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are restricted primarily for health care services or property, plant and equipment and consist of the following at September 30:

	<u>2014</u>	<u>2013</u>
Donor-restricted specific purpose funds	<u>\$ 758,834</u>	<u>\$ 395,704</u>

Permanently restricted net assets are required to be held in perpetuity, the income from which is expendable primarily to support MBH's operations and consist of the following at September 30:

	<u>2014</u>	<u>2013</u>
Endowment funds	\$ 537,481	\$ 506,008
Beneficial interest in perpetual trusts	<u>130,764</u>	<u>158,154</u>
	<u>\$ 668,245</u>	<u>\$ 664,162</u>

10. Concentration of Credit Risk

Revenues from the Medicare and MaineCare programs accounted for approximately 72% and 70% of MBH's net patient service revenue for the years ended September 30, 2014 and 2013, respectively. Laws and regulations governing the Medicare and MaineCare programs are complex and subject to interpretation. MBH believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from the Medicare and MaineCare programs.

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

Financial instruments which potentially subject MBH to concentrations of credit risk consist of cash and cash equivalents and patient accounts receivable. The risk with respect to cash equivalents is minimized by MBH's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. MBH maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. MBH has not experienced any losses in such accounts and believes it is not exposed to any significant risk at September 30, 2014. MBH grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at September 30 was as follows:

	<u>2014</u>	<u>2013</u>
Medicare	28%	17%
MaineCare	36	46
Anthem Blue Cross and Blue Shield	10	7
Other third-party payors	17	18
Patients	<u>9</u>	<u>12</u>
	<u>100%</u>	<u>100%</u>

11. Functional Expenses

MBH provides health care services through its acute care and outpatient facilities. Expenses related to providing these services are as follows for the years ended September 30:

	<u>2014</u>	<u>2013</u>
Professional care of patients	\$ 52,789,876	\$ 52,285,302
Dietary	1,331,406	1,289,192
Household and property	4,375,110	4,127,196
Administrative services	7,479,721	7,531,210
State tax	1,332,602	1,419,180
General services	3,702,411	3,766,664
Interest	955,457	950,751
Depreciation and amortization	<u>1,877,847</u>	<u>1,941,562</u>
	<u>\$ 73,844,430</u>	<u>\$ 73,311,057</u>

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

12. Commitments and Contingencies

MBH maintains malpractice and general liability insurance on a claims-made basis. SHH's policy includes a 10% co-insurance requirement on paid claims. MBH intends to renew coverage on a claims-made basis and anticipates that such coverage will be available. At September 30, 2014 and 2013, an accrual of \$148,470 and \$140,817, respectively, for estimated claims incurred, but not reported, has been recorded by MBH as other long-term liabilities.

MBH is subject to complaints, claims and litigation which have risen in the normal course of business. In addition, MBH is subject to compliance with laws and regulations of various governmental agencies. U.S. GAAP requires MBH to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. MBH has evaluated its exposure to losses arising from potential claims and determined an accrual of \$60,050 and \$114,594 is necessary for the year ended September 30, 2014 and 2013, respectively, which is included in other long-term liabilities and other long-term assets on the balance sheets.

Operating Leases

MBH leases certain operating facilities and office equipment under operating leases. Total rent expense under these leases amounted to approximately \$1,220,948 and \$1,193,604 in 2014 and 2013, respectively.

Future minimum payments under noncancelable operating leases as of September 30, 2014 are:

2015	\$ 1,179,092
2016	1,056,047
2017	906,077
2018	840,077
2019	<u>220,727</u>
	<u>\$ 4,202,020</u>

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

13. Related Party Transactions

Following is a summary of transactions with related parties that are included in the statements of operations for the years ended September 30:

2014	Other revenue	Salaries	Benefits	Purchased Services
MaineHealth	\$ 424,000	\$ 342,000	\$ 10,162,000	\$ 438,000
Maine Medical Center	1,251,000	151,000	64,000	3,062,000
Pen Bay Medical Center	683,000			
Southern Maine Health Care	1,862,000			
Lincoln County Hospital	292,000			
Maine Medical Partners	214,000			
Waldo County Hospital	201,000			
Stephens Memorial Hospital	37,000			
Home Health	1,000			
Synernet				222,000
Nordx				215,000
	<u>\$ 4,965,000</u>	<u>\$ 493,000</u>	<u>\$ 10,226,000</u>	<u>\$ 3,937,000</u>
2013	Other revenue	Salaries	Benefits	Purchased Services
MaineHealth	\$ 268,000	\$ 346,000	\$ 9,007,000	\$ 449,000
Maine Medical Center	1,334,000	159,000	68,000	3,045,000
Pen Bay Medical Center	761,000			
Southern Maine Health Care	1,496,000			
Lincoln County Hospital	289,000			
Maine Medical Partners	185,000			
Waldo County Hospital	211,000			
Stephens Memorial Hospital	13,000			
Home Health	8,000			
Synernet				426,000
Nordx				146,000
	<u>\$ 4,565,000</u>	<u>\$ 505,000</u>	<u>\$ 9,075,000</u>	<u>\$ 4,066,000</u>

MAINE BEHAVIORAL HEALTHCARE

Notes to Financial Statements

September 30, 2014 and 2013

Other revenue includes MBH contracts with various MaineHealth members to directly provide or manage inpatient and outpatient mental health care services.

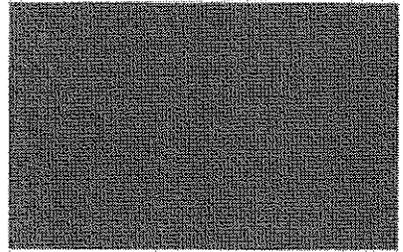
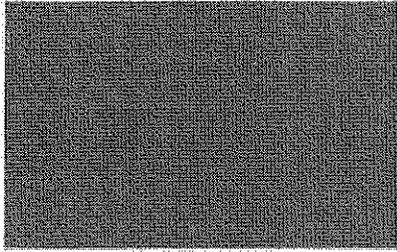
Salary expense includes MBH purchases of staff from both MaineHealth and MMC.

Certain employee benefits (medical, dental, short term disability and workers' compensation coverage) are purchased from MaineHealth. In addition, MBH also purchases benefits related to employee salaries purchased from MaineHealth members.

Purchased services include an annual management fee to MaineHealth for management support. MBH also purchases operational support from MMC for human resources, information technology and purchasing. In the normal course of business, MBH purchases transcription services from Synernet and lab services from Nordx.

Long-term prepaid expenses at September 30, 2014 and 2013 include approximately \$471,000 paid to MaineHealth related to the planned implementation of the Lawson integrated accounting system. Long-term prepaid expenses also include MBH's share of allocated capital related to a MaineHealth project of \$361,267 and \$252,272 at September 30, 2014 and 2013, respectively.

Long-term debt of \$126,884 and \$134,245 at September 30, 2014 and 2013, respectively, represents a note payable to Pen Bay Medical Center for certain land and building located in Rockland, Maine. Interest on the note accrues at 6%, and the loan matures in 2026.





Community Benefits Report – FY14

I. Why create a Community Benefits report?

Maine Behavioral Healthcare's day-to-day operations as a tax-exempt organization include many system-wide initiatives (community health improvement services and community benefit operations, health professions education, subsidized health services, charitable giving and coalition building). With these programs, Maine Behavioral Healthcare hopes to fill existing local gaps, while making a positive impact in the communities we serve. This report will summarize Maine Behavioral Healthcare 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

Leading with comprehensive and integrated care, Maine Behavioral Healthcare is Maine's largest behavioral healthcare organization. Maine Behavioral Healthcare offers a broad continuum of services that includes:

- Spring Harbor Hospital – An 88-bed psychiatric hospital providing acute inpatient care
- The integration of inpatient psychiatric care with community based treatment in one care continuum
- Alignment with Maine Medical Center's Department of Psychiatry, Southern Maine Healthcare's Behavioral Health Services and Penobscot Bay Medical Center's Department of Psychiatry

Maine Behavioral Healthcare's mission is to provide a seamless and compassionate continuum of care through a community of providers collaborating to promote recovery and the overall mental and physical well-being of those we are privileged to serve.

Committed to excellence in the care of each individual, Maine Behavioral Healthcare's vision is to become a nationally recognized leader in the provision of evidence-informed integrated healthcare.

Maine Behavioral Healthcare's values are:

- To provide the people we serve with timely access to the finest and most appropriate care available and treat them with compassion, dignity and respect.
- To invest in a culture of professional growth and development.
- To be quality oriented, innovative and collaborative.
- To recognize our obligation to promote educational programs on mental health, substance abuse and rehabilitative services.

- To commit to the alleviation of individual and social ills through a systems approach to community planning.

III. Community Needs Assessment

The Maine Behavioral Healthcare 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 Maine Behavioral Healthcare Community Programs and Other Support *

Maine Behavioral Healthcare engage in many community-building activities that include: support of community events that align with the organization's mission, education seminars on behavioral health issues, Crisis Intervention training for police departments and high schools, and peer services for adults with chronic mental illness. Maine Behavioral Healthcare also organizes employee participation in community fundraising activities and numerous nonprofit boards and civic organizations.

Community Health Improvement Services and Community Benefit Operations

- Crisis Team employees provided workshops on suicide and other mental health topics, assisted school systems in referral management, led trainings for law enforcement, and assisted state police outreach.
- Children's Team managers attended monthly Community Partnership for Protecting Children (CPPC) meetings in Portland, Westbrook and Biddeford and also participated in mental health awareness week with CPPC and a free lunch program.
- Outpatient team managers held a work group for dads in Biddeford neighborhood
- Program managers participated on several community steering committees in Waldo and Knox counties
- MBH staff participated in a local Trauma advisory group
- A senior program manager provided CIT training in York County on Adult trauma
- Program managers participated on a local "Communities that Care" committee
- MBH's engagement specialist made presentations to Spectrum Generations, DHHS, and Boothbay and Medomak schools.

Health Professions Education

- Nurse practitioners and interns were trained and supervised in MBH's Outpatient Psychiatry programs.
- Social worker student interns were trained and supervised in MBH's Assertive Community Treatment programs.
- As a teaching hospital, Spring Harbor Hospital offers residency training and educational experiences for medical, nursing, social work, and other health professions students. Students from local nursing schools perform their psychiatry clinical rotations at Spring Harbor Hospital. Social work, occupational therapy, and psychology interns also spend time at the hospital.
- Social worker student interns were trained and supervised in MBH's Substance Abuse and Outpatient Therapy programs.

Subsidized Health Services

- Peer services are provided through two social clubs (Biddeford and Sanford) along with a Life Enrichment program that is available at several clinical locations of the agency.

Cash and In-kind Contributions

- Representative payee and wrap-around services were provided to clients in the Adult ACT teams and all community support services, respectively.
- Interpreter services were provided for patients and clients.
- Taxi vouchers were provided for clients, SHH patients, and clients and members of the social clubs.
- Support of the United Way of Greater Portland was carried out through the donation of staff time to coordinate employee giving program and to participate in the United Way Day of Caring.
- Financial donations were made to nonprofit community organizations whose missions are compatible with that of Maine Behavioral Healthcare. Contributions included Shalom House, NAMI Maine, Walk for Recovery, Amistad, Family Hope, Pine Tree Society, Spurwink, Westbrook Firefighters, Disability Rights Center, Kennebunk Portside Rotary and the Medical Professionals Health Program.

Coalition Building

- Through the administrative support of an all-volunteer initiative called “It Takes a Community”, MBH helps to improve the experience of those with mental illness and their families through education, community outreach projects, and awareness building. MBH staff participated in public forum meetings and with the public access television show.

Maine Behavioral Healthcare’s Aggregate “Net Community Benefit Investment” = \$859,029

* In addition to the aforementioned programs, Maine Behavioral Healthcare 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 provides 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

Maine Behavioral Healthcare 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 30 days after services are provided. After that initial billing date, the patient has 90 days to pay for those services. Before collection action is taken by Maine Behavioral Healthcare, 4 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, Maine Behavioral Healthcare 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. Maine Behavioral Healthcare's Board has never pursued such legal action.

VI. Charity Care Policies

Maine Behavioral Healthcare'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. Maine Behavioral Healthcare 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.

VII. Good Governance and Executive Compensation Policies

Good Governance

Maine Behavioral Healthcare has a Board of 20 community members, a majority of whom are not practicing physicians, officers, department heads, or other employees with a financial connection or otherwise affiliated with the organization itself. The Board meets 11 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 Maine Behavioral Healthcare 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 Maine Behavioral Healthcare 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

Maine Behavioral Healthcare 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, social club memberships, signing bonuses, etc.)”. The Board takes necessary action to prevent the CEO from voting or directly participating in the final Committee determination of his own compensation. The organization’s executive compensation procedure relies upon appropriate data for comparability (e.g. compensation levels paid by both taxable and tax-exempt similarly situated organizations and independent compensation surveys by nationally recognized independent firms). Finally, the organization refrains from allowing executive compensation to ever be based solely on Maine Behavioral Healthcare revenues or other similar profit-sharing strategies.

VIII. Aggregate Financial Data

Maine Behavioral Healthcare's Community Benefit Summary *

1. Charity care (at cost) **	<u>\$5,111,093</u>
2. Bad debt (at cost) **	<u>\$811,227</u>
3. Government-sponsored health care (shortfall) - Unpaid cost of Medicare, MaineCare, and other hospital-specific indigent care programs	<u>\$1,187,270</u>
4. Net Community Benefit Investment Programs	<u>\$859,029</u>

<i>Total Value of Quantifiable Benefits Provided to the Community</i>	<u>\$7,968,619</u>
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* Form created based on AHA guidelines

** Maine Behavioral Healthcare is partially reimbursed for services provided to patients with public health insurance based on a cost reimbursement methodology.