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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 06-01-2008 and ending 05-31-2009

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Termination
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
Owensboro Medical Health System

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
811 E Parrish Avenue

City or town, state or country, and ZIP + 4
Owensboro, KY 42303

D Employer identification number
61-1286361

E Telephone number
(270) 688-2000

G Gross receipts $ 702,580,043

F Name and address of Principal Officer
Dr Jeff Barber
811 East Parrish Avenue
Owensboro, KY 42303

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
(If "No," attach a list See instructions)

H(c) Group Exemption Number ▶

I Tax-exempt status ☑ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Web site: ▶ www omhs org

K Type of organization ☑ Corporation ☐ trust ☐ association ☐ other ▶

L Year of Formation 1995

M State of legal domicile KY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Owensboro Medical Health System exists to heal the sick and improve the health of the community

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	14
5	Total number of employees (Part V, line 2a)	5	3,669
6	Total number of volunteers (estimate if necessary)	6	328
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	1,006,266
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-2,568,429

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	442,719	231,246
9	Program service revenue (Part VIII, line 2g)	313,317,508	335,608,101
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10,492,343	2,353,489
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	13,630,739	4,415,758
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	337,883,309	342,608,594
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,140,079	1,462,710
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	132,593,241	140,859,812
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	(Total fundraising expenses, Part IX, column (D), line 25 0)		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	172,419,677	183,661,989
18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	306,152,997	325,984,511
19	Revenue less expenses Subtract line 18 from line 12	31,730,312	16,624,083

		Beginning of Year	End of Year
20	Total assets (Part X, line 16)	514,046,199	504,954,397
21	Total liabilities (Part X, line 26)	267,915,332	289,629,905
22	Net assets or fund balances Subtract line 21 from line 20	246,130,867	215,324,492

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

Please Sign Here

Signature of officer — Date: 2010-04-13

John Hackbarth CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-empolyed ▶ ☐ | Preparer's PTIN (See Gen Inst)

Firm's name (or yours if self-employed), address, and ZIP + 4
ERNST & YOUNG US LLP
5451 LAKEVIEW PARKWAY SOUTH DRIVE
INDIANAPOLIS, IN 46268

EIN ▶

Phone no ▶ (317) 280-3400

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

Part III Statement of Program Service Accomplishments (See the instructions.)

1 Briefly describe the organization's mission

Owensboro Medical Health System exists to heal the sick and improve the health of the community

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

4a (Code) (Expenses $ 249,848,196 including grants of $ 1,462,710) (Revenue $ 336,838,844)

Owensboro Medical Health System provides a broad range of general acute care services, including surgical, cardiac, oncology and emergency services to meet the healthcare needs of our regional community, serving11 counties in western Kentucky and southern Indiana Our medical services are delivered by highly skilledphysicians along with a caring and compassionate nursing staff OMHS supports our care teams withstate-of-the art equipment to provide our patients withadvanced medical treatments and procedures In the Fiscal Year ended May 31, 2009, OMHS had total admissions of 18,624, patient days of 83,476, and ER visits of 63,298

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

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

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses $ 249,848,196 *Must equal Part IX, Line 25, column (B).*

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*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
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*	3		No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where 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*	6		No
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*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	Yes	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		No
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the U S ?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	Yes	
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? *If "Yes," complete Schedule J*	23	Yes	
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 questions 24b–24d and complete Schedule K. If "No," go to question 25*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
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*	25a		No
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No

Part IV Checklist of Required Schedules *(Continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**	Yes	
36	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*	**36**		No
37	Did the organization conduct more than 5 percent 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*	**37**		No

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	110		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	3,669		
b	If at least one is reported in 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 this return.*	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
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)?	4a			No
b	If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and 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?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, *Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?*	5c			
6a	Did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	*Organizations that may receive deductible contributions under section 170(c).*				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of $75 or more?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			
8	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.*				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	*Section 501(c)(7) organizations.* Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	Section 501(c)(12) organizations Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	*Section 4947(a)(1) non-exempt charitable trusts.* Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

Part VI **Governance, Management, and Disclosure** ***(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)***

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body . .	1a 14		
b	Enter the number of voting members that are independent . .	1b 14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
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		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . .	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	the governing body?	8a	Yes	
b	each committee with authority to act on behalf of the governing body?	8b	Yes	
9a	Does the organization have local chapters, branches, or affiliates?	9a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10		No
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	11		No

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No", go to line 13* . .	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
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	Yes	
b	Other officers or key employees of the organization?	15b	Yes	
	Describe the process in Schedule O			
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	Yes	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed KY

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ own website ☐ another's website ☑ upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

John Hackbarth
811 E Parrish Avenue
Owensboro, KY 42303
(270) 691-8214

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

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

1a Complete this table for all persons required to be listed Use Schedule J-2 if additional space is needed
* List all of the organization's **current** officers, directors, trustees (whether individuals or organizations) and key employees regardless of amount of compensation, and current key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid

* 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, or 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 the organization did not compensate any officer, director, trustee or key employee

(A) Name and Title	**(B)** Average hours per week	**(C)** Position (check all that apply)						**(D)** Reportable compensation from the organization (W-2/1099MISC)	**(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			

Part VII Continued

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(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			
1b Total ▶								5,796,065	0	809,589

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 73

			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**		No
4	For any individual listed online 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**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

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

(A) Name and business address	(B) Description of services	(C) Compensation
Louisville Radiology Imaging Consul 71 West 156th Street HARVEY, IL 60426	In-Patient Radiology	5,807,752
Morrison Management Specialists 4721 Morrison Dr Suite 300 MOBILE, AL 36609	Food Services Mgt	4,541,342
Owensboro Anesthesia Services PLLC 815 E Parrish Avenue OWENSBORO, KY 42303	Anesthesia Services	2,248,795
EA Health Corporation 440 Stevens Avenue Suite 150 SOLANA BEACH, CA 92075	Physician Call Srvcs	2,088,647
Cogent Healthcare of KY PSC 5410 Maryland Way Suite 300 BRENTWOOD, TN 37027	Hospitalist Services	1,453,342

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 32

Part VIII Statement of Revenue

			(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations 1d 219,930				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f 11,316				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total (Add lines 1a-1f)** ▶	231,246			
Program Service Revenue		Business Code				
	2a	Other Insurance Payments 622,110	182,299,543	182,299,543		
	b	Medicare/Medicaid Payments 622,110	153,308,558	153,308,558		
	c					
	d					
	e					
	f	All other program service revenue				
	g	**Total. Add lines 2a-2f** ▶ $ 335,608,101				
	3	Investment income (including dividends, interest other similar amounts) ▶	9,526,349			9,526,349
	4	Income from investment of tax-exempt bond proceeds ▶	0			
	5	Royalties ▶	0			
		(i) Real / (ii) Personal				
	6a	Gross Rents 110,065 /				
	b	Less rental expenses /				
	c	Rental income or (loss) 110,065 /				
	d	Net rental income or (loss) ▶	110,065			110,065
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory 352,414,810 / 78,929				
	b	Less cost or other basis and sales expenses 359,619,599 / 47,000				
	c	Gain or (loss) -7,204,789 / 31,929				
	d	Net gain or (loss) ▶	-7,172,860			-7,172,860
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 *Attach Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b				
	c	Net income or (loss) from fundraising events ▶	0			
	9a	Gross income from gaming activities See part IV, line 19 *Complete Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities ▶	0			
	10a	Gross sales of inventory, less returns and allowances a 376,886				
	b	Less cost of goods sold b 304,850				
	c	Net income or (loss) from sales of inventory ▶	72,036			72,036
		Miscellaneous Revenue / Business Code				
	11a	Kentucky Bio Processing 722,320	800,527		800,527	
	b	LAUNDRY, CATERING & OTHER 812,300	205,739		205,739	
	c	Cafeteria & Vending Machine Revenue 722,212	1,996,648			1,996,648
	d	All other revenue _____	1,230,743	1,230,743		
	e	**Total. Add lines 11a-11d** ▶ $ 4,233,657				
	12	**Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶	342,608,594	336,838,844	1,006,266	4,532,238

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

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	1,326,306	1,326,306		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	136,404	136,404		
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	5,033,228		5,033,228	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	103,757,198	85,136,570		
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,913,689	4,849,225	1,064,464	
9	Other employee benefits	18,496,237	16,303,402	2,192,835	
10	Payroll taxes	7,659,460	6,280,757	1,378,703	
11	Fees for services (non-employees)				
a	Management	6,885,288	5,480,811	1,404,477	
b	Legal	1,682,836	1,300	1,681,536	
c	Accounting	176,212		176,212	
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	1,889,912		1,889,912	
g	Other	20,438,101	7,902,312	12,535,789	
12	Advertising and promotion	1,708,229	57,495	1,650,734	
13	Office expenses	77,503,625	72,439,393	5,064,232	
14	Information technology	3,862,314	3,089,851	772,463	
15	Royalties . .	0			
16	Occupancy	4,529,956	3,623,965	905,991	
17	Travel	1,090,233	793,903	296,330	
18	Payments of travel or entertainment expenses for any Federal, state or local public officials	0			
19	Conferences, conventions and meetings	262,843	70,177	192,666	
20	Interest	8,914,812		8,914,812	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	18,842,011	15,073,609	3,768,402	
23	Insurance	3,673,045	201,044	3,472,001	
24	Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Bad Debt/KY Provider	26,908,762	26,908,762		
b	Recruiting	1,383,171	6,867	1,376,304	
c	BOND COST 2001	500,000		500,000	
d	Dues	424,342	56,949	367,393	
e	All other expenses	2,986,297	109,094	2,877,203	
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	325,984,511	249,848,196	76,136,315	0
26	**Joint Costs.** Check ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		26,133	1	24,252
	2	Savings and temporary cash investments		8,194,016	2	25,054,221
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		42,324,708	4	62,013,575
	5	Receivables from current and former officers, directors, trustees, key employees or other related parties *Complete Part II of Schedule L*		0	5	383,154
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) *Complete Part II of Schedule L*			6	
	7	Notes and loans receivable, net		434,246	7	48,423
	8	Inventories for sale or use		8,304,238	8	6,146,846
	9	Prepaid expenses and deferred charges		4,261,314	9	3,191,521
	10a	Land, buildings, and equipment cost basis	10a 317,523,366			
	b	Less accumulated depreciation *Complete Part VI of Schedule D*	10b 172,830,385	139,531,156	10c	144,692,981
	11	Investments—publicly traded securities		256,057,559	11	211,955,218
	12	Investments—other securities See Part IV, line 11 *Complete Part VII of Schedule D*			12	
	13	Investments—program-related See Part IV, line 11 *Complete Part VIII of Schedule D*		0	13	27,990,517
	14	Intangible assets		0	14	16,682,379
	15	Other assets See Part IV, line 11 *Complete Part IX of Schedule D*		54,912,829	15	6,771,310
	16	**Total assets.** *Add lines 1 through 15 (must equal line 34)*		514,046,199	16	504,954,397
Liabilities	17	Accounts payable and accrued expenses		29,527,259	17	32,592,244
	18	Grants payable			18	
	19	Deferred revenue		17,199	19	90,388
	20	Tax-exempt bond liabilities		178,150,000	20	173,675,000
	21	Escrow account liability *Complete Part IV of Schedule D*			21	
	22	Payable 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		11,455,672	23	10,449,711
	24	Unsecured notes and loans payable			24	
	25	Other liabilities *Complete Part X of Schedule D*		48,765,202	25	72,822,562
	26	**Total liabilities.** *Add lines 17 through 25*		267,915,332	26	289,629,905
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets			27	
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☑ 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		246,130,867	32	215,324,492
	33	Total net assets or fund balances		246,130,867	33	215,324,492
	34	Total liabilities and net assets/fund balances		514,046,199	34	504,954,397

Part XI Financial Statements and Reporting

				Yes	No
1	Accounting method used to prepare the Form 990 ☐ cash ☑ accrual ☐ other				
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a			No
b	Were the organization's financial statements audited by an independent accountant?	2b			No
c	If "Yes" to lines 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?	2c			
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?	3a			No
b	If "Yes," did the organization undergo the required audit or audits?	3b			

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Owensboro Medical Health System

Employer identification number
61-1286361

Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

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).** (Attach Schedule H)

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 331/3% 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 331/3% 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).** (See instructions)

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **Section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally Integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the organizations the organization supports

(i) Name of Supported Organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(See Instructions)**)	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of support?
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

Part II **Support Schedule for Organizations Described in IRC 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.)

Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 **Public Support** subtract line 5 from line 4						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 501(c)(3) organization, check this box and **stop here** ▶

Computation of Public Support Percentage

14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f **15**

16a **33 1/3% Test - 2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33 1/3% Test - 2007.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

17a **10% Facts and Circumstances Test - 2008.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶

b **10% Facts and Circumstances Test - 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶

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

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

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 1-5						
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 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Total of lines 7a and 7b						
8 **Public Support** (Substract line 7c from line 6)						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 30 June, 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 501(c)(3) organization, check this box and **stop here** ☐

Computation of Public Support Percentage

15	Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15
16	Public Support Percentage for 2007 Schedule A, Part IV-A, line 27g	16

Computation of Investment Income Percentage

17	Investment Income Percentage for **2008** (line 10c column (f) divided by line 13 column (f))	17
18	Investment Income Percentage from **2007** Schedule A, Part IV-A, line 27h	18

19a **33 1/3% Tests - 2008.** 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% Tests - 2007.** 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 ☐

Part IV **Supplemental Information.** Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

Facts and Circumstances Test

Additional Data

Software ID:
Software Version:
EIN: 61-1286361
Name: Owensboro Medical Health System

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(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			
Alan Braden , Vice Chairman	3 0	X						0	0	0
Bob Carper , Board Member	3 0	X						0	0	0
George Henderson Jr , Board Member	3 0	X						0	0	0
Bernard BerBuchanan MD , Board Member	3 0	X						0	0	0
Ann Murphy Kincheloe , Secretary	3 0	X						0	0	0
Tom Maddox MD , Board Member	3 0	X						0	0	0
Robert Knight MD , Board Member	3 0	X						0	0	0
Billy Joe Miles , Chairman	3 0	X						0	0	0
Robert Schell MD , Board Member	3 0	X						0	0	0
Gerald Poynter , Board Member	3 0	X						0	0	0
Terry Woodward , Board Member	3 0	X						0	0	0
Billy H Chandler Ed D , Board Member	3 0	X						0	0	0
Ted G Smith , Board Member	3 0	X						0	0	0
Joseph Iracane , Board Member	3 0	X						0	0	0
Jeffrey Barber , President / CEO	50 0			X				570,912	0	119,870
Earnest E Begley II , Chief Legal Officer	50 0			X				253,809	0	43,847
John Hackbarth Jr , Chief Financial Officer	50 0			X				310,900	0	35,207
Richard W Medley Jr , Chief Medical Officer	50 0			X				162,942	0	33,424
Greg Strahan , Chief Operations Officer	50 0			X				385,589	0	77,454
Mia Suter , Chief Development Officer	50 0			X				235,578	0	44,074
Terry W Tyler MD , Chief Outpatient Imaging Off	50 0			X				265,217	0	40,355
William Alton , Director of Facilities	50 0				X			177,159	0	23,961
Lisa Jones , VP of Clinical Services	50 0				X			178,427	0	42,867
Michael Mills , VP of Ancillary Services	50 0				X			160,040	0	18,614
Russell Ranallo , VP of Financial Services	50 0				X			353,249	0	54,532
Gordon Rohweder , Executive Director IS/ISAS	50 0				X			193,339	0	41,359
Vicki Stogsdill , VP of Nursing Services	50 0				X			317,469	0	63,388
Lalith Uragoda , Physician	40 0					X		534,044	0	48,489
R D Adams , Physician	40 0					X		512,052	0	46,301
Sohit Khanna , Physician	40 0					X		463,026	0	43,498

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(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			
Lingamurthy Ravi , Physician	40 0					X		381,682	0	13,537
William O Bryan , Physician	40 0					X		340,631	0	18,812

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

Political Campaign and Lobbying Activities

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

To be completed by organizations described below. Attach to Form 990 or Form 990-EZ

OMB No 1545-0047

2008

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities)
- 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 990EZ, Part VI, line 47 (Lobbying Activities)
- 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)
- Section 501(c)(4), (5), or (6) organizations complete Part III

Name of the organization	Employer identification number
Owensboro Medical Health System	61-1286361

Part I-A **To be completed by all organizations exempt under section 501(c) and section 527 organizations.** (See the instructions for Schedule C for details.)

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 **To be completed by all organizations exempt under section 501(c)(3).** (See the instructions for Schedule C for details.)

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 in 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 **To be completed by all organizations exempt under section 501(c), except section 501(c)(3).** (See the instructions for Schedule C for details.)

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 internal funds contributed to other organizations for section 527 exempt funtion activities	$
3	Total of direct and indirect exempt function expenditures Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b	$
4	Did the filing organization file **Form 1120-POL** for this year?	☐ Yes ☐ No

5 State the names, addresses and Employer Identification Number (EIN) of all section 527 political organizations to which payments were made Enter the amount paid and indicate if the amount was paid from the filing organization's own internal funds or were political contributions received and 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 internal 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-

Part II-A **To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)).** (See the instructions for Schedule C for details.)

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures— (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b	Total lobbying expenditures to influence a legislative body (direct lobbying)		
c	Total lobbying expenditures (add lines 1a and 1b)		
d	Other exempt purpose expenditures		
e	Total exempt purpose expenditures (add lines 1c and 1d)		
f	Lobbying nontaxable amount Enter the amount from the following table in both columns—		

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

g	Grassroots nontaxable amount (enter 25% of line 1f)		
h	Subtract line 1g from line 1a Enter -0- if line g is more than line a		
i	Subtract line 1f from line 1c Enter -0- if line f is more than line c		

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? ☐ **Yes** ☑ **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 1a through 1f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)).** (See the instructions for Schedule C for details.)

		(a) Yes	(a) No	(b) 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?		No	
b	Paid staff or management (include compensation in expenses reported on lines c through i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		169,824
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		39,015
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		No	
i	Other activities If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			208,839
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
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?		No	

Part III-A **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).** (See the instructions for Schedule C for details.)

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

Part III-B **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes."** (See the instructions for Schedule C for details.)

1	Dues, assessments and similar amounts from members	1 $
2	Section 162(e) non-deductible 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 (line 2c total minus 3 and 4)	5 $

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i
Also, complete this part for any additional information

Identifier	Return Reference	Explanation
Supplemental Schedule C Information	Schedule C - Part II-B, Line 1f	Percentage of lobbying activities from Kentucky Hospital Association dues, AHA dues, and Cornerstone Government Affairs
Supplemental Information	IRS Insubstantial Lobbying	Within the context of Governmental, Community and Legislative Affairs, OMHS has one employee that engages in lobbying activities or attempts to influence legislation However, under no circumstances is there any engagement in political activities Lobbying activities include both direct lobbying and grass roots lobbying From a direct lobbying perspective, the Executive Director of Governmental, Community and Legislative Affairs engages in lobbying activities at the federal, state and local levels Federal activities are more limited based on contract services provided by Cornerstone Government Affairs, a Washington, DC based legislative agent However, the Executive Director does meet with members of Congress on occasion during the year either in Washington or in Owensboro At the state level, the Executive Director is registered as a Legislative Agent with the Kentucky General Assembly Lobbying efforts are generally limited to that period of time in which the General Assembly is in session This period includes a 30-day legislative session in odd numbered years and a 60-day legislative session in even number years In addition, lobbying at the local level is generally confined to regulatory matters and is not ongoing From a grassroots lobbying perspective, the Executive Director overseas the Health in Action network Health in Action is an electronic email system that provides OMHS employees with updates on legislation and calls to action when appropriate Joining the network and choosing to respond are voluntary This network is only activated when issues of concern are being considered at the federal and state levels It is estimated that during the Fiscal Year ending May 31, 2009, all lobbying activity by the Executive Director did not exceed 30% of total work-related duties and responsibilities

Part IV Supplemental Information

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Owensboro Medical Health System

Employer identification number
61-1286361

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate Contributions to (during year)		
3	Aggregate Grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

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

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

☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically importantly land area
☐ Protection of natural habitat ☐ Preservation of certified historic structure
☐ Preservation of open space

2 Complete lines 2a–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 Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

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

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

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

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

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

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

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

b If the organization elected, as permitted under SFAS 116, 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 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 accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

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

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Trust, 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 why in Part XIV and complete the following table

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		12,401,434		12,401,434
b Buildings		159,881,124	82,917,561	76,963,563
c Leasehold improvements				
d Equipment		135,472,226	89,912,824	45,559,402
e Other		9,768,582		9,768,582
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				144,692,981

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

(a) Description of security or cateory (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
INVEST IN COOPERATIVE HEALTH	26,906,131	F
Investment in OCHN	356,760	F
Investment in OASF	726,626	F
Investment in VHA	1,000	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶	27,990,517	

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

(a) Description	(b) Book value
COST OF DEBT ISSUANCE	4,792,654
Deferred Compensation	1,694,356
Key Executive Plan	284,301
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	
Due to Third Party Payors	9,049,681
Deferred Compensation	1,694,356
Derivative Liabilities	17,851,706
Accrued Pension	30,174,969
Workman's Comp Reserve	4,530,212
Malpractice Reserve	9,521,638
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	72,822,562

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

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

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

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

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

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part XIV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Identifier	Return Reference	Explanation
Accounting for Uncertainty in Income Taxes		On June 1, 2007, the System adopted Financial Accounting Standards Board (FASB) Interpretation No 48 (FIN 48), Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No 109 FIN 48 clarifies the accounting for uncertainty in income tax positions recognized in accordance with FASB statement No 109, Accounting for Income Taxes It also provides guidance on when tax positions are recognized in an entity's financial statements and how the values of these positions are determined There was no impact on the Owensboro Medical Health System's financial statement as a result of FIN 48

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Attach to Form 990. To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Owensboro Medical Health System

Employer identification number
61-1286361

Part I Charity Care and Certain Other Community Benefits at Cost *(Optional for 2008)*

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a		
b	If "Yes," is it a written policy?	1b		
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a		
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4		
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a		
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		
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 eligibile for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a		
6b	If "Yes," does the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested 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 Charity care at cost (from *worksheets 1 and 2)*						
b Unreimbursed Medicaid (from *worksheet 3, column a)*						
c Unreimbursed costs—other means-tested government programs (from *worksheet 3, column b)*						
d **Total** Charity Care and Means-Tested Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from (worksheet 4)						
f Health professions education (from worksheet 5)						
g Subsidized health services (from worksheet 6)						
h Research (from worksheet 7)						
i Cash and in-kind contributions to community groups (from worksheet 8)						
j **Total** Other Benefits						
k **Total** (line 7d and 7j)						

Part II Community Building Activities (Complete this table if the organization conducted any community building activities) *(Optional for 2008)*

		(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 *(Optional for 2008)*

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		
2	Enter the amount of the organization's bad debt expense (at cost)	2		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit			

Section B. Medicare

5	Enter total revenue received from Mecicare (including DSH and IME)	5	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	
7	Enter line 5 less line 6—surplus or (shortfall)	7	
8	Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6 and indicate which of the following methods was used		

☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a		
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b		

Part IV Management Companies and Joint Ventures *(Optional for 2008)*

	(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					
14					

Part V Facility Information *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
Owensboro Medical Health System Inc 811 East Parrish Avenue Owensboro, KY 42303	X	X					X		

Part VI Supplemental Information *(Optional for 2008)*

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 7, Part III, line 4, Part III, line 8, and Part III, line 9b

2 **Needs Assessment.** Describe how the organization assesses the health care needs of the communities it serves

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 charity care policy

4 **Community Information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Community Building Activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

6 Provide any other information important to describing how the organization's hospitals 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)

7 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 communites served

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the U.S.

Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22. Attach to Form 990.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Owensboro Medical Health System

Employer identification number
61-1286361

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 if additional space is needed . . . ▶ ☐

1(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 28

3 Enter total number of other organizations . . . ▶ 2

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
Tuition Assistance	20	136,404			

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

See Additional Data Table

Identifier	Return Reference	Explanation
Form 990, Schedule I	Description of Organization's Procedures for Monitoring the Use of Grants	Services and activities must serve individuals in the OMHS service area, including Daviess, Hancock, Ohio, Henderson, Hopkins, McLean, Muhlenberg, Breckinridge and Webster counties in Kentucky or Spencer and Perry counties, Indiana Applications must specifically describe how the organization's services address root causes of health problems affecting the health of our community Eligible groups include economic, educational, civic, arts and cultural organizations

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 61-1286361
Name: Owensboro Medical Health System

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Foundation for Health811 East Parrish Avenue Owensboro, KY 42303	61-1251763	501(C)(3)	383,271				contribution to Foundation
Owensboro Community and Technical College4800 New Hartford Road Owensboro, KY 42303	61-6001218	501(C)(3)	144,385				Nursing program scholarship and Surgical Tech grant
Riverpark Center101 Daviess St Owensboro, KY 42303	61-1147328	501(c)(3)	97,967				Membership and sponsorship
Greater Owensboro Chamber 200 East 3rd St Owensboro, KY 42302	61-0299925	501(C)(3)	79,667				Support EDC operations and business research
Cooperative Health Services 811 East Parrish Avenue Owensboro, KY 42303	61-1197638	501(C)(3)	75,000				Contribution to Cooperative Health
Advisory BoardPO Box 79461 Baltimore, MD 21279	52-1468699	N/A	66,300				Clinical Tech Assessment and Marketing and Planning Leadership Council
United WayPO Box 705 Owensboro, KY 42302	61-0846061	501(C)(3)	62,823				Employer match (50%) and employee contribution (payroll deduction) to support United Way fundraising activities
Audubon Area Community 1501 Breckenridge St Owensboro, KY 42303	23-7364935	501(c)(3)	50,000				Community Support
Owensboro Museum of Fine Arts901 Frederica Street Owensboro, KY 42301	61-1297343	501(C)(3)	26,000				Community Support
Boulware Mission Inc731 Hall Street Owensboro, KY 42303	61-0486968	501(C)(3)	25,000				Community Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Owensboro Symphony Orchestra211 East 2nd Street Owensboro,KY 42303	61-6055984	501(C)(3)	20,000				Community Support
Mentorkids Kentucky 1700 Frederica St Owensboro,KY 42301	61-1222299	501(C)(3)	20,000				Community Support
Free Clinic of Owensboro 1600 Breckenridge St Owensboro,KY 42303	61-1251884	501(C)(3)	20,000				Community Support
Casa of Ohio Valley Inc 100 East 2nd Street Owensboro,KY 42302	61-1303511	501(C)(3)	20,000				Community Support
Kentucky Hospital Research & Education FoundPO Box 436629 Louisvile,KY 40253	61-6052378	501(C)(3)	13,967				Workforce expansion initiatives
Owensboro Area Museum of S&H122 East 2nd Street Owensboro,KY 42303	61-1164857	501(C)(3)	12,500				Community Support
American Cancer Society 319 W 10th St Owensboro,KY 42301	13-1788491	501(C)(3)	11,000				Community Support
Theatre Workshop of OwensboroP O Box 644 Owensboro,KY 42302	61-0968600	501(C)(3)	10,000				Community Support
Kelly Autism Program815 Tripplett Street Owensboro,KY 42303	61-1251555	501(C)(3)	10,000				Community Support
International Bluegrass 207 East 2nd Street Owensboro,KY 42303	61-1229037	501(C)(3)	10,000				Community Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Dream Riders of Kentucky PO Box 172 Philpot, KY 42366	01-0802025	501(C)(3)	10,000				Community Support
Care Net Pregnancy CenterPO Box 9525 Owensboro, KY 42302	20-0736119	501(C)(3)	10,000				Community Support
Junior Achievement of Kentucky1195 Wing Avenue Owensboro, KY 42303	61-0564988	501(C)(3)	8,150				Community Support
American Heart Association1212 Ashley Circle Bowling Green, KY 42104	13-5613797	501(C)(3)	8,000				Community Support
March of Dimes920 Frederica St Owensboro, KY 42301	13-1846366	501(C)(3)	6,800				Community Support
Alma Randolph Charitable 1735 Frederica Street Owensboro, KY 42301	61-1245015	501(C)(3)	6,400				Community Support
Greenwell Chisolm420 East Parrish Avenue Owensboro, KY 42303	61-0655325	N/A	6,018				Golf Sponsorship for Foundation
Owensboro Dance Theatre2705 Breckenridge St Owensboro, KY 42303	61-1040701	501(C)(3)	6,000				Community Support
Mclean County SeniorPO Box 344 Calhoun, KY 42327	61-6000726	501(C)(3)	6,000				Community Support
Brescia University717 Frederica Street Owensboro, KY 42303	61-0660795	501(C)(3)	15,000				Community Support

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Owensboro Medical Health System

Employer identification number
61-1286361

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate 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 ☐ First class or charter travel ☑ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☑ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a			
a	Receive a severance payment or change of control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space 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) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
See Additional Data Table	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Supplemental Compensation Information	Schedule J, Part I, Line 1	-Provided housing allowance for new CFO (taxable) -Provided reduced rate fitness club membership, which is available to all employees This is a qualifying employee benefit and is not includable in gross wages
Supplemental Compensation Information	Schedule J, Part I, Line 4b	457F Plan to executives (nontaxable) Jeffrey Barber, $69,859, Earnest E Begley II, $25,512, John Hackbarth, Jr $22,506, Lisa Jones, $19,016, Richard Medley, $15,771, Michael Mills, $5,980, Russell Ranallo, $20,600, Gordon Rohweder, $18,790, Vicki Stogsdill, $30,974, Greg Strahan, $37,706, Mia Suter, $23,262, Terry W Tyler MD, $18,301

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 61-1286361
Name: Owensboro Medical Health System

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
William Alton	(I)	151,694	22,256	3,209	11,911	12,050	201,120	0
	(II)	0	0	0	0	0	0	0
Jeffrey Barber	(I)	475,637	72,104	23,171	107,968	11,902	690,782	53,342
	(II)	0	0	0	0	0	0	0
Earnest E Begley II	(I)	228,429	12,565	12,815	29,995	13,852	297,656	0
	(II)	0	0	0	0	0	0	0
John Hackbarth Jr	(I)	184,254	9,037	117,609	25,591	9,616	346,107	0
	(II)	0	0	0	0	0	0	0
Lisa Jones	(I)	153,604	23,269	1,554	30,134	12,732	221,293	15,500
	(II)	0	0	0	0	0	0	0
Richard W Medley Jr	(I)	128,948	15,750	18,244	27,214	6,210	196,366	0
	(II)	0	0	0	0	0	0	0
Michael Mills	(I)	147,005	10,716	2,319	8,609	10,005	178,654	0
	(II)	0	0	0	0	0	0	0
Russell Ranallo	(I)	165,685	186,127	1,437	40,407	14,125	407,781	15,500
	(II)	0	0	0	0	0	0	0
Gordon Rohweder	(I)	151,966	23,488	17,885	32,125	9,234	234,698	34,573
	(II)	0	0	0	0	0	0	0
Vicki Stogsdill	(I)	261,277	38,718	17,474	61,086	2,302	380,857	47,622
	(II)	0	0	0	0	0	0	0
Greg Strahan	(I)	320,678	46,649	18,262	62,622	14,832	463,043	50,137
	(II)	0	0	0	0	0	0	0
Mia Suter	(I)	193,909	28,779	12,890	41,566	2,508	279,652	22,869
	(II)	0	0	0	0	0	0	0
Terry W Tyler MD	(I)	158,188	62,191	44,838	35,838	4,517	305,572	0
	(II)	0	0	0	0	0	0	0
Lalith Uragoda	(I)	483,229	50,000	815	34,676	13,813	582,533	0
	(II)	0	0	0	0	0	0	0
R D Adams	(I)	511,237	0	815	32,131	14,170	558,353	15,500
	(II)	0	0	0	0	0	0	0
Sohit Khanna	(I)	462,483	0	543	29,596	13,902	506,524	31,000
	(II)	0	0	0	0	0	0	0
Lingamurthy Ravi	(I)	381,203	0	479	6,916	6,621	395,219	0
	(II)	0	0	0	0	0	0	0
William O Bryan	(I)	338,562	500	1,569	9,670	9,142	359,443	0
	(II)	0	0	0	0	0	0	0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ **Attach to Form 990 or Form 990-EZ.**
▶ **To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38b or 40b.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Owensboro Medical Health System

Employer identification number
61-1286361

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

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

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

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

Part II Loans to and/or From Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
Dr R Douglas Adams Recruitment Loan		X	563,100	383,154		No		No	Yes	
OASF Refinance 5 79%		X	386,744	356,274		No	Yes		Yes	
Total . . . . . ▶ $				739,428						

Part III Grants or Assistance Benefitting Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
Mollie Mills	Daughter of Michael Mills	19,355	employee compensation		No
Virginia Ward	Daughter of Michael Mills	45,668	employee compensation		No
Steve Johnson	Son of Ann Murphy Kinchel	104,155	employee compensation		No
Robert Knight	Board Member	100,264	Providing emergency services		No
Jennifer Ranallo	Wife of Russell Ranallo	20,317	employee compensation		No

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SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Owensboro Medical Health System

Employer identification number
61-1286361

Identifier	Return Reference	Explanation
RDI Outpatient Imaging - June 2008	FORM 990, PART III - Line 2	On June 15, 2008, OMHS purchased the assets of Radiology and Diagnostic Imaging, LLC (RDI) - an outpatient imaging center located in Owensboro, Kentucky RDI consists of physicians, registered technologists, and support staff who specialize in the delivering of radiological services RDI was made part of OMHS

Identifier	Return Reference	Explanation
Description of Classes of Persons and the Nature of Their Rights	Form 990, Part VI, Question 7a	Three (3) directors shall be appointed by the County Judge/Executive of Daviess County ("County Judge") with consent of the Daviess County Fiscal Court ("County Appointees"), provided that the total number of County Appointees shall not constitute a quorum of the members of Fiscal Court or any other public agency Three (3) directors shall be appointed by the Mayor of the City of Owensboro ("Mayor") with the consent of the Board of the City Commissioners of the City of Owensboro ("City Appointees"), provided that the total number of the City Appointees shall not constitute a quorum of the members of the Board of City Commissioners or any other public agency One (1) director will be appointed jointly by the County Judge and the Mayor ("Executive Appointee"), provided that such person shall be a member of the active Medical Staff of Owensboro Medical Health System ("OMHS") throughout his/her entire term of office, and shall not be an elected public official, an employee of the County of the City, or a member of the governing body of any public agency

Identifier	Return Reference	Explanation
Descr Classes of Persons, Decisions Requiring Appr & Type of Voting Rights	Form 990, Part VI, Question 7b	The following corporate actions shall require the affirmative act of the Fiscal Court of Daviess County ("County") and the Commissioners of the City of Owensboro ("City") following a recommendation therefore by the Board of Directors -The admission of any Member to the Corporation -The transfer of all, or substantially all, of the management responsibility for the Corporation to a nonrelated Person -A merger, consolidation or other similar action that is dilutive of the assets of the Corporation or that adversely affects any rights of the County or city provided for in the Corporation's Articles of Incorporation of the ByLaws -Any amendments to Articles 4,5,7,8 and 10 of the Articles of Incorporation, or any amendment to section Article VII of the By Laws -The dissolution of the Corporation -Any Change of the name of the Corporation -The transfer (in one or more related transactions) during any twelve month period of 5% or more of the total assets of the Corporation to an unaffiliated person(s), "total assets" shall mean the aggregate assets from the most recent financial statements of the Corporation

Identifier	Return Reference	Explanation
Describe the Process used by Management &/or Governing Body to Review 990	Form 990, Part VI, Question 10	The return is reviewed by the Controller, Accounting Manager, and by the CFO before it's signed

Identifier	Return Reference	Explanation
Description of Process to Monitor Transactions for Conflicts of Interest	Form 990, Part VI, Question 12c	Under our Conflict of Interest Policy (#100-214), each board director, officer and member of a committee with board-delegated powers is required annually to complete the following (1) Confidentiality Statement (2) Disclosure Certificate and (3)Independence and Related Party Questionnaire These disclosures are reviewed and retained by the Chief Legal Officer, who is also in the approval chain for all OMHS contracts All completed contracts are maintained by the Legal Office in a searchable database [through Meditract] Similarly, as soon as we implement the additional revised policy addressing Conflict of Interest for Employees (currently in draft), each department director, manager, or other employee with authority to influence decisions regarding the purchase of goods or services by OMHS will be requested to complete a Conflict of Interest Disclosure and Certification form These will be reviewed and maintained by the Compliance Officer The Compliance Office also has access to the contracts database and completes an OIG sanction check for each new contract Once the conflict of Interest data has been collected, new contracts will be also screened for potential conflicts of interest In addition, OMHS maintains a compliance hotline through which anyone with knowledge of a conflict of interest or improper vendor relationship can anonymously report suspected violations of OMHS policy

Identifier	Return Reference	Explanation
Offices & Positions for Which Process was Used, & Year Process was Begun	Form 990, Part VI, Question 15a	Total compensation is the sum of CEO's base salary, incentive opportunity, benefits, and perquisites -Our total compensation philosophy will apply to CEO of the organization -Cash compensation and benefits plans provisions will be, based on market data, competitive with those healthcare organizations within which we compete for executive talent Our labor market is defined as successful and comparably sized healthcare organizations on a national level Success is measured in terms of financial and operational performance and market leadership - Competitive positioning of base salaries, as reflected by the salary range midpoints, will be at the 50th percentile CEO may be placed above or below the salary range based on the CEO's knowledge, competencies, and experience, Performance of the CEO, The CEO's contribution to the organization's overall performance, Internal equity considerations, The financial resources available, and, CEO's base salary increases provided in the competitive market -Annual merit increase is based on job performance, reviewed by Finance Committee, and then approved by the Board of Directors -Annual incentive opportunities will be positioned between the 50th and 75th percentile depending on the degree to which performance goals are met or exceeded Total cash compensation, as reflected by base salaries and annual incentives, will also be positioned between the 50th and 75th percentiles and will be influenced by performance results as measured against established goals Incentive Compensation Plan reviewed by Finance Committee, then approved by Board of Directors -The organization will provide appropriate and competitive supplemental benefits and perquisites delivered in a flexible structure to allow for individual choice and based on the organization's Mission and business needs -Our executive total compensation plan will be designed, managed and maintained in a manner that will Support and complement our mission, management philosophy, short- and long-term business strategies, and employee relations goals Attract and retain executives with the right skills, abilities and motivation to achieve our business objective Ensure the executive total compensation is reasonable and competitive -Our cash compensation and benefits plans will be reviewed by HR consulting firm and adjusted periodically to meet the changing business and organizational characteristics of our organization and its executive staff as directed by the Finance Committee Form 990, Part VI, Question 15b Total compensation is the sum of each executive's base salary, incentive opportunity, benefits, and perquisites -Our total compensation philosophy will apply to all executives of the organization -Cash compensation and benefits plans provisions will be, on average, competitive with those healthcare organizations within which we compete for executive talent Our labor market is defined as successful and comparably sized healthcare organizations on a national level Success is measured in terms of financial and operational performance and market leadership - Competitive positioning of base salaries, as reflected by the salary range midpoints, will be at the 50th percentile Executives may be placed above or below the salary range based on the Executive's knowledge, competencies, and experience, Performance of the executive's area of responsibility, The executive's contribution to the organization's overall performance, Internal equity considerations, The financial resources available, and, Executive base salary increases provided in the competitive market -Annual incentive opportunities will be positioned between the 50th and 75th percentile depending on the degree to which performance goals are met or exceeded Total cash compensation, as reflected by base salaries and annual incentives, will also be positioned between the 50th and 75th percentiles and will be influenced by performance results as measured against established goals - The organization will provide appropriate and competitive supplemental benefits and perquisites delivered in a flexible structure to allow for individual choice and based on the organization's Mission and business needs -Our executive compensation plan will be designed, managed and maintained in a manner that will Support and complement our mission, management philosophy, short- and long-term business strategies, and employee relation's goals Attract and retain executives with the right skills, abilities and motivation to achieve our business objective Ensure the executive total compensation is reasonable and competitive -Our cash compensation and benefits plans will be reviewed and adjusted periodically to meet the changing business and organizational characteristics of our organization and its executive staff The compensation of each individual executive will be reviewed and approved in a manner consistent with the Intermediate Sanction Tax Regulations

Identifier	Return Reference	Explanation
Avail of Gov Docs, Conflict of Interest Policy, & Fin Stmts to Gen Public	Form 990, Part VI, Question 19	Documents and policies are made available upon request

Identifier	Return Reference	Explanation
Financial Statements	Form 990, Part X, Question 2	Owensboro Medical Health System's financial statements were audited by an independent accountant on a consolidated basis

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answerd "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Owensboro Medical Health System

Employer identification number
61-1286361

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
OMHS Cardiovascular LLC 811 East Parrish Avenue Owensboro, KY 42303 20-0800844	Physician Prt	KY	955,000	265,380	
Kentucky BioProcessing LLC PO Box 20007 Owensboro, KY 42304 20-4545241	Plant Bsd Prt	KY	803,000	7,541,817	
Commonwealth Medical Management LLC PO Box 20007 Owensboro, KY 42304 20-4796653	Phys Clnc Srv	KY	0	30,000	

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
Foundation for Health Inc 811 East Parrish Avenue Owensboro, KY42303 61-1251763	HEALTHCARE	KY	501(C)(3)	7	
Cooperative Health Services Inc 811 East Parrish Avenue Owensboro, KY42303 61-1197638	HEALTHCARE	KY	501(C)(3)	9	

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproprtionate allocations? Yes	(H) No	(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner? Yes	(J) No
Owensboro Ambulatory Surgical Facility 1000 Brkrg Owensboro, KY42303 75-2184992	Surgery Center	KY		Investment income	734,043	6,306,277		No		Yes	

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

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
Owensboro Medical Center Laboratory Inc 811 East Parrish Avenue Owensboro, KY42303 61-0999592	Med Laboratory	KY		C Corp			

Part V Transactions with Related Organizations

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

		Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to other organization(s)	1b	Yes	
c Gift, grant, or capital contribution from other organization(s)	1c	Yes	
d Loans or loan guarantees to or for other organization(s)	1d		No
e Loans or loan guarantees by other organization(s)	1e		No
f Sale of assets to other organization(s)	1f		No
g Purchase of assets from other organization(s)	1g		No
h Exchange of assets	1h		No
i Lease of facilities, equipment, or other assets to other organization(s)	1i	Yes	
j Lease of facilities, equipment, or other assets from other organization(s)	1j		No
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by other organization(s)	1l	Yes	
m Sharing of facilities, equipment, mailing lists, or other assets	1m	Yes	
n Sharing of paid employees	1n	Yes	
o Reimbursement paid to other organization for expenses	1o	Yes	
p Reimbursement paid by other organization for expenses	1p		No
q Other transfer of cash or property to other organization(s)	1q	Yes	
r Other transfer of cash or property from other organization(s)	1r	Yes	

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

(A) Name of other organization(s)	(B) Transaction type(a-r)	(C) Amount Involved
(1) **See Additional Data Table**		
(2)		
(3)		
(4)		
(5)		
(6)		

Part VI Unrelated Organizations Taxable as a Partnership

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

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproprtionate allocations?		(G) Code V—UBI amount on Box 20 of K-1	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 61-1286361
Name: Owensboro Medical Health System

Form 990, Schedule R, Part V - Transactions with Related Organizations

	(A) Name of other organization	(B) Transaction type(a-r)	(C) Amount Involved ($)
(1)	Cooperative Health Services Inc	I	416,346
(2)	Owensboro Community Health Network Inc	O	320,292
(3)	Cooperative Health Services Inc	P	19,698,089
(4)	Foundation for Health Inc	O	303,295
(5)	Owensboro Medical Center Lab	O	2,509,030
(6)	Foundation for Health Inc	Q	79,976
(7)	Cooperative Health Services Inc	R	14,285,866
(8)	Foundation for Health Inc	C	219,930
(9)	Cooperative Health Services Inc	B	75,000
(10)	Foundation for Health Inc	B	383,271