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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 07-01-2008 and ending 06-30-2009

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

PINNACLE HEALTH MEDICAL SERVICES

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

Room/suite

409 south second st po box 8700

City or town, state or country, and ZIP + 4

harrisburg, PA 171058700

D Employer identification number

25-1709054

E Telephone number

(717) 231-8245

G Gross receipts

\$ 29,977,107

F Name and address of Principal Officer

William H Pugh

409 south second st po box 8700

harrisburg, PA 171058700

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.pinnaclehealth.org

K Type of organization

☒ Corporation ☐ trust ☐ association ☐ other

L Year of Formation

1993

M State of legal domicile

PA

Part I Summary			
Activities & Governance	1	Briefly describe the organization's mission or most significant activities Pinnacle Health Medical Services is engaged in the provision of physician services	
	2	Check this box <input type="checkbox"/> 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 8
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4 5
	5	Total number of employees (Part V, line 2a)	5 424
	6	Total number of volunteers (estimate if necessary)	6 47
	7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a 0
	b	Net unrelated business taxable income from Form 990-T, line 34	7b 0
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 3,130 Current Year 1,263,493
	9	Program service revenue (Part VIII, line 2g)	24,161,046 28,062,287
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-129,182 5,478
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,864,996 611,614
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	25,899,990 29,942,872
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0 0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0 0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	25,199,954 29,281,432
	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)	10,748,993 10,717,157
	18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	35,948,947 39,998,589
	19	Revenue less expenses Subtract line 18 from line 12	-10,048,957 -10,055,717
Net Assets or Fund Balances			Beginning of Year End of Year
	20	Total assets (Part X, line 16)	10,898,258 13,104,015
	21	Total liabilities (Part X, line 26)	8,978,540 10,702,644
	22	Net assets or fund balances Subtract line 21 from line 20	1,919,718 2,401,371

Part II Signature Block

Please Sign Here

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

Signature of officer

2010-05-17

Date

william H Pugh CFO

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

Julius Green CPA

Date

2010-05-17

Check if self-employed

☐

Preparer's PTIN (See Gen Inst)

Firm's name (or yours if self-employed), address, and ZIP + 4

PARENTEBEARD LLC

Suite 200 221 W PHILADELPHIA ST

YORK, PA 174012993

EIN

Phone no

(717) 846-7000

May the IRS discuss this return with the preparer shown above? (See instructions)

☒ Yes ☐ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2008)

Part IIIS

Statement of Program Service Accomplishments (See the instructions.)

1

Briefly describe the organization’s mission

Pinnacle Health Medical Services is a tax exempt entity that is primarily engaged in the provision of physician services

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 \$ 34,515,492 including grants of \$ 0) (Revenue \$ 27,499,593)
	Pinnacle Health medical services(PHMS) is a tax exempt entity that is primarily engaged in the provision of physician services The physician services provided within PHMS support and enhance the services of Pinnacle Health Hospitals and the Pinnacle Health System The physician services included within PHMS are the following Family Care Services (330) - Primary care is the largestsegment of PHMS comprising of 52% of the revenue of PHMS Primary care services are currently provided through eleven family care centers locating in surrounding communities During the fiscal year ended June 30, 2009, primary care patient visits totaled 162,764 Pinnacle Health Medical Services (300)- Medical services is comprised of several specialty physician practices that treated 127,662 patients during the fiscal year The following specialties are included Women's Inpatient Services (WIS) - This program provides comprehensive inpatient obstetrical and gynecological services to a patient base consisting largely of a managed medical assistance patient base This program was established in 2007 Women's Outpatient Health Center(WOHC) - This program provides comprehensive outpatient obstetrical and gynecological services to a patient base consisting largely of a managed medical assistance patient base Internal Medicine Residents (IMR) - This center was established in PHMS to bill for inpatient professional fees generated by the attending internal medicine residency program faculty PH Internal Medicine Associates (PHIMA) - This practice provides an opportunity for physicians associated with the internal medicine residency program to provide primary care outpatient services and inpatient specialty care in a private practice setting Pinnacle Health Infectious Disease Associates (PHIDA) - This program was established in January 2005 Both patient and outpatient services are provided which includes the travel clinic Surgery Clinic Professionals(SCP) - Surgery Clinic Professionals is used to account for surgical procedures generated from referrals to the surgery clinic, which is a component of the Kline Health Center West Shore Surgery Center(WSSC) - The West Shore Surgery Center is a limited partnership in which Pinnacle Health Medical Services is the general partner with a 2% controlling interest and Pinnacle Health Hospitals is a limited partner with a 49% interest The remaining 49% interest is held by various physicians from the area Hospitalists-Community Campus(HCC) - This program has been established to provide 24/7 in-hospital coverage for internal medicine admissions and follow-up on a dedicated "hospitalist service" This service will draw patients from family care and internal medicine providers who provide outpatient care, but wish to have inpatient care provided to their patients by this service Kline Health Center (KHC) - This program provides primary, as well as specialty care, to a largely urban population while the practice does see private patients, much of the population served is of low income and/or underinsured Since many of our patients rely on public transportation, Kline is able to meet many of the patient's needs at one location Resident physicians under the supervision of board certified physician faculty as well as specialty physicians come to Kline to see patients for their orthopedic, endocrine, neurological, infectious disease, and surgical needs The office is managed by a full time RN who oversees a staff of medical assistants and other office support staff to meet the needs of the patients and providers Children's and Teen Center(CTC) - This program provides primary acute and preventative care plus some specialty services for children newborn through 18 years of age Specialty services include neonatal developmental care, lead poisoning diagnosis and follow-up, pediatric neurology and care for children infected with HIV Pediatric Inpatient Professional Services (PIPS) - This program consists of the revenue and expenses derived from providing 24/7 inpatient, hospital-based pediatric coverage Raymond A Kostin, MD (KOSTIN) - This program was established to ensure high quality thoracic surgery for Pinnacle Health System Pinnacle Health Neurologists (PHN) - This program was established to meet the emergent need for neurologists in the Harrisburg area Coverage for inpatient physician coverage at Pinnacle Health Hospitals is its primary focus as well as establishing and growing outpatient services to address community needs This program also provides services to the Epilepsy Monitoring Unit Pinnacle Health Neuosurgery Services (PHNS) - This program was established in January 2008 to meet the emergent need for neurosurgeons in the Harrisburg area Pinnacle Health Endocrinologists (PHE) - This program was established in January 2005 and provides both inpatient and outpatient services Pinnacle Health Pediatric Surgery (PHPS) - This program consists of the employment of one full time pediatric surgeon who will continue to practice pediatric surgery full time for Pinnacle Health Hospitals A stable, high quality pediatric surgery service is an essential component of the women and children health service at Pinnacle Pinnacle Health Complementary Services (PHCS) - This program was established in October 2005 to provide acupuncture services by a Pennsylvania state registered Acupuncturist PH Resource Education and Comprehensive Care for HIV (REACCH) - This program was established to provide primary and specialty medical care for people (including pregnant women and their exposed infants) who are HIV-positive as well as support services Support services include nutritional counseling, transportation to medical appointments, vision care, assistance with medication co-payments, and assistance with mental health counseling and psychiatric care The program is partially grant funded and also provides reimbursement to Pinnacle Health System for services rendered to patients who are HIV-positive and are either uninsured or underinsured Behavioral Services Consults (BSC) - Due to the shortage of psychiatrists in the Central PA area, and the critical role that they play in the care of complex patients in the hospital, we have turned to psychiatric nurse parctitioners to assist in the coverage They help maintain continuity of care of inpatients with secondary psychiatric or behavioral disorders, and they collaborate with two part-time psychiatrists to fully cover both hospital sites at the Harnsburg and Community Campus This new program began in April 2008 PPI Medical Coverage (PPIMC) - The Pennsylvania Psychiatric Institute (PPI), the new not-for-profit insitute formed as a collaborative endeavor between Penn State Hershey Medical Center and Pinnacle Health System opened in April 2008 The institute has a need for medical coverage for both adult and pediatric patients Internal medicine and family practice physicians perform the history and physical examination of the patient and provide any non-behavioral health consults PH Palliative Care (PHPC) - The focus of this new program will be on the inpatient care of patients during the final months or days of their life, seeking to improve both the balance of care vis-a-vis comfort and dignity and the qualify of pain relief treatment In the role as the Pain Team of the System, the palliative care specialist will be available to any patient who is in need of specialized assessment and treatment of difficult or intractable pain This will dovetail nicely with the new proposed cancer center program End-of-life care has been identified nationally as a moment of time which takes up an inordinate amount of health care resources, with great variation geographically and little in the way of demonstrable value, dying with dignity is an option that all of us should have at the end of life Pinnacle Health Psychological Associates (450)- Pinnacle Health Psychological Associates is a group of psychologists and therapists who provide psychological services totaling 13,305 patient visits for members of the community The Services provided by PHPA compliment the hospital inpatient, outpatient and partial hospitalization services, and allow Pinnacle Health to operate a more complete program of Behavioral Medicine The staff of PHPA is on call 24 hours a day for the department to ensure access to care They also operate an Employee Assistance Program for the Pinnacle Health System as well as for another employer in the community The Employee Assistance Program for the Pinnacle Health employees includes a Critical Incident Stress Management team Continued as next program

4b	(Code) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)
	Continued from previous program Pinnacle Health Behavioral Services - Physician Services - (360) - Physician services is a center established outside the hospital to allow Pinnacle Health System to contract with a third party payors for psychiatrists' services These services include consultations, medication management and psychiatric evaluations serving toxicology, emergency department and hospitalized inpatients The cost of services that are provided to hospital programs is labor distributed to those programs Pinnacle Health Medical Services also had volunteers that provided various donated services During the year, there were 13 volunteers which provided 936 donated hours valued at \$6,131 Pinnacle Health Medical Services had 34 physicians that volunteered 760 hours of their time at an estimated value of \$46,223 Pinnacle Health Medical Services provided Free Care in Medical Services during the year to 297 patients in the amount of \$78,565










4c	(Code) (Expenses \$ including grants of \$) (Revenue \$)
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4d	Other program services (Describe in Schedule O) (Expenses \$ including grants of \$) (Revenue \$)
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4e	Total program service expenses \$ 34,515,492 Must equal Part IX, Line 25, column (B).
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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	No
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	No
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	No
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	No
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	No
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		No
b Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV		No
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		No
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		No
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		No
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		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		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		No
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	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		No
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		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		No

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a0		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a424	Yes	
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? . . . Note: <i>If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.</i>	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a		No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b		
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, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?	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
<i>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.</i>			
1a	Enter the number of voting members of the governing body	1a	8
b	Enter the number of voting members that are independent	1b	5
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	No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	No
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	Yes
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? <i>If "No", go to line 13</i>	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? Describe the process in Schedule O	15b	Yes
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	No

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed <u>PA</u>
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. <input type="checkbox"/> own website <input type="checkbox"/> another's website <input checked="" type="checkbox"/> 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. William H Pugh 409 SOUTH SECOND ST PO BOX 8700 HARRISBURG, PA 171058700 (717) 231-8245

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-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DEBORAH S MILLER , Chairman	10	X		X				0	0	0
Robert C Buckingham MD , Vice Chairman	10	X		X				0	0	0
timothy Weston ESQ , Director	10	X						0	0	0
NEYSA O MAISEL , DIRECTOR	10	X						0	0	0
Nathan H Waters Jr Es , Director	10	X						0	0	0
Dana Kellis MD , Director	10	X						0	458,511	66,759
BRIAN UNIACKE MD , Director	10	X						0	187,431	26,899
Roger Longenderfer MD , President/CEO	20	X		X				0	879,897	389,800
William H Pugh , Treasurer	2 30			X				0	370,787	28,633
Christopher P Markley E , Secretary	4 00			X				0	351,577	46,457
Richard C Seneca Esq , Assistant Secretary	1 30			X				0	201,600	0
Barry Moore , PHYSICIAN	40 00					X		584,116	0	74,154
Roger Ostdahl , PHYSICIAN	40 00					X		582,771	0	76,839
Salim Qazizadeh , Physician	40 00					X		311,834	0	25,056
Rifaat Bashir , PHYSICIAN	40 00					X		292,020	0	30,318
John F barnoski , PHYSICIAN	40 00					X		284,038	0	28,628

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-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b Total								2,054,779	2,449,803	793,543

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization53

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		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? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		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
Assurance Staffing Inc 4660 Trindle Road Suite 100 Camp Hill, PA 17011	Temporary Help	304,879
Gairs medical Transcription Service 508 Market Street Lemoyne, PA 17043	transcription Svc	175,174

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization2

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	1,263,493		
	e	Government grants (contributions)	1e			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total (Add lines 1a-1f)		1,263,493		
Program Service Revenue	2a	Patient Revenue, Net	Business Code 621,110	27,499,593	27,499,593	
	b	physician medical PPI	621,110	381,000	381,000	
	c	Physician services/cov	621,110	98,743	98,743	
	d	Partnership passthroug	621,400	41,593	41,593	
	e	I/C transplant service	621,110	41,358	41,358	
	f	All other program service revenue				
	g	Total. Add lines 2a-2f				
		\$ 28,062,287				
	Other Revenue	3	Investment income (including dividends, interest other similar amounts)		6,200	
4		Income from investment of tax-exempt bond proceeds				
5		Royalties				
6a		Gross Rents	(i) Real 75,116	(ii) Personal		
b		Less rental expenses	33,513			
c		Rental income or (loss)	41,603			
d		Net rental income or (loss)		41,603		41,603
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
b		Less cost or other basis and sales expenses		722		
c		Gain or (loss)		-722		
d		Net gain or (loss)		-722		-722
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				
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				
10a		Gross sales of inventory, less returns and allowances	a			
b		Less cost of goods sold	b			
c		Net income or (loss) from sales of inventory				
		Miscellaneous Revenue	Business Code			
11a		Employee counseling Sv	900,099	172,716		172,716
b		HMO Bonus	900,099	170,714		170,714
c		reporting incentives	900,099	137,196		137,196
d		All other revenue		89,385		89,385
e		Total. Add lines 11a-11d				
	\$ 570,011					
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		29,942,872	28,062,287	0	617,092

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				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	24,063,142	21,656,269		
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,173,489	1,056,140	117,349	
9	Other employee benefits	2,609,102	2,348,024	261,078	
10	Payroll taxes	1,435,699	1,292,129	143,570	
11	Fees for services (non-employees)				
a	Management	1,563,785	200,967	1,362,818	
b	Legal				
c	Accounting	-3,545		-3,545	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	1,394,127	1,341,426	52,701	
12	Advertising and promotion				
13	Office expenses	2,403,062	2,220,567	182,495	
14	Information technology	47,583	47,583		
15	Royalties				
16	Occupancy	2,223,550	1,382,151	841,399	
17	Travel	12,047	10,810	1,237	
18	Payments of travel or entertainment expenses for any Federal, state or local public officials				
19	Conferences, conventions and meetings	184,039	169,316	14,723	
20	Interest	328,216	295,394	32,822	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	662,652	596,387	66,265	
23	Insurance	845,389	845,389		
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 Debts Expense	1,008,220	1,008,220		
b	Dues and subscriptions	42,399	42,399		
c	Miscellaneous Expense	5,633	2,321	3,312	
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	39,998,589	34,515,492	5,483,097	0
26	Joint Costs. Check <input type="checkbox"/> 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)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	2,260	1	2,646
	2 Savings and temporary cash investments	258,071	2	2,301,454
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	2,608,381	4	2,755,315
	5 Receivables from current and former officers, directors, trustees, key employees or other related parties <i>Complete Part II of Schedule L</i>		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <i>Complete Part II of Schedule L</i>		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	164,832	8	152,255
	9 Prepaid expenses and deferred charges	257,664	9	339,274
	10a Land, buildings, and equipment—cost basis	10a 11,555,449		
	b Less accumulated depreciation <i>Complete Part VI of Schedule D</i>	10b 4,135,553	7,417,156	10c 7,419,896
	11 Investments—publicly traded securities		11	
	12 Investments—other securities <i>See Part IV, line 11 Complete Part VII of Schedule D</i>		12	
	13 Investments—program-related <i>See Part IV, line 11 Complete Part VIII of Schedule D</i>	29,305	13	28,753
	14 Intangible assets		14	
	15 Other assets <i>See Part IV, line 11 Complete Part IX of Schedule D</i>	160,589	15	104,422
16 Total assets. <i>Add lines 1 through 15 (must equal line 34)</i>	10,898,258	16	13,104,015	
Liabilities	17 Accounts payable and accrued expenses	3,112,319	17	3,883,356
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability <i>Complete Part IV of Schedule D</i>		21	
	22 Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>		22	
	23 Secured mortgages and notes payable to unrelated third parties	5,866,221	23	5,731,312
	24 Unsecured notes and loans payable		24	
	25 Other liabilities <i>Complete Part X of Schedule D</i>	0	25	1,087,976
	26 Total liabilities. <i>Add lines 17 through 25</i>	8,978,540	26	10,702,644
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	1,919,718	27	2,401,371
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	1,919,718	33	2,401,371
	34 Total liabilities and net assets/fund balances	10,898,258	34	13,104,015

Part XI **Financial Statements and Reporting**

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> cash <input checked="" type="checkbox"/> accrual <input type="checkbox"/> 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	Yes
b	If "Yes," did the organization undergo the required audit or audits?	3b	Yes

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 PINNACLE HEALTH MEDICAL SERVICES	Employer identification number 25-1709054
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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	<input type="checkbox"/>	A church, convention of churches, or association of churches described in Section 170(b)(1)(A)(i).
2	<input type="checkbox"/>	A school described in Section 170(b)(1)(A)(ii). (Attach Schedule E)
3	<input checked="" type="checkbox"/>	A hospital or a cooperative hospital service organization described in Section 170(b)(1)(A)(iii). (Attach Schedule H)
4	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	A federal, state, or local government or governmental unit described in Section 170(b)(1)(A)(v).
7	<input type="checkbox"/>	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	<input type="checkbox"/>	A community trust described in Section 170(b)(1)(A)(vi) (Complete Part II)
9	<input type="checkbox"/>	An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See Section 509(a)(2). (Complete Part III)
10	<input type="checkbox"/>	An organization organized and operated exclusively to test for public safety See Section 509(a)(4). (See instructions)
11	<input type="checkbox"/>	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 <input type="checkbox"/> Type I b <input type="checkbox"/> Type II c <input type="checkbox"/> Type III - Functionally Integrated d <input type="checkbox"/> Type III - Other
e	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? (ii) a family member of a person described in (i) above? (iii) a 35% controlled entity of a person described in (i) or (ii) above?
h	<input type="checkbox"/>	Provide the following information about the organizations the organization supports

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

(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						<input type="checkbox"/>

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

Part IIISupport 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
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total Add lines 1-5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts 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						
cTotal of lines 7a and 7b						
8Public Support (Subtract 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
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13Total Support (Add lines 9, 10c, 11 and 12)						
14First 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

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► 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.

Name of the organization PINNACLE HEALTH MEDICAL SERVICES	Employer identification number 25-1709054
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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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

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

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

► \$

For Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2008

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part 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

(i)

unrelated organizations

(ii)

related organizations

3a(i)

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				
b Buildings				
c Leasehold improvements		1,487,889	871,057	616,832
d Equipment		3,281,252	2,274,860	1,006,392
e Other		6,786,308	989,636	5,796,672
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				7,419,896

(a) Description of security or category (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) 		

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13) 		

(a) Description	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	

(a) Description of Liability	(b) Amount
Federal Income Taxes	
Inter-company payables	1,087,976
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	1,087,976

Schedule D (Form 990) 2008

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)	129,942,872
2	Total expenses (Form 990, Part IX, column (A), line 25)	239,998,589
3	Excess or (deficit) for the year Subtract line 2 from line 1	3-10,055,717
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)	810,537,370
9	Total adjustments (net) Add lines 4 - 8	910,537,370
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10481,653

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	130,266,307
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments	
b	Donated services and use of facilities	
c	Recoveries of prior year grants	
d	Other (Describe in Part XIV)	
e	Add lines 2a through 2d	2e1,630,868
3	Subtract line 2e from line 1	328,635,439
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	
b	Other (Describe in Part XIV)	
c	Add lines 4a and 4b	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	529,942,872

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	139,988,162
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities	
b	Prior year adjustments	
c	Losses reported on Form 990, Part IX, line 25	
d	Other (Describe in Part XIV)	
e	Add lines 2a through 2d	2e33,513
3	Subtract line 2e from line 1	339,954,649
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	
b	Other (Describe in Part XIV)	
c	Add lines 4a and 4b	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	539,998,589

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
Part X	Description of Uncertain Tax Positions Under FIN 48	Effective July 1, 2007, the Pinnacle Health System adopted FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48), which requires the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in an unrelated business activity tax return and disclosures regarding uncertainties in tax positions. No adjustments to the consolidated financial statement were required as a result of the adoption of FIN 48.
Part XI, Line 8 - Other Adjustments		Fund Balance Transfer - Pinnacle Health System 9932266 Fund Balance Transfer - Pinnacle Health Hospital 605104
Part XII, Line 2d - Other Adjustments		Rental expenses recorded net of revenue 33513 Assets released from restrictions 1597355
Part XII, Line 4b - Other Adjustments		Contributions from Pinnacle Health Foundation 1263493
Part XIII, Line 2d - Other Adjustments		Rental expenses recorded net of revenue 33513

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
PINNACLE HEALTH MEDICAL SERVICES

Employer identification number
25-1709054

Part I	Questions Regarding Compensation		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	<div><input type="checkbox"/> First class or charter travel</div> <div><input type="checkbox"/> Travel for companions</div> <div><input type="checkbox"/> Tax idemnification and gross-up payments</div> <div><input type="checkbox"/> Discretionary spending account</div>	<div><input type="checkbox"/> Housing allowance or residence for personal use</div> <div><input type="checkbox"/> Payments for business use of personal residence</div> <div><input type="checkbox"/> Health or social club dues or initiation fees</div> <div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div>		
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		
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		
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			
	<div><input checked="" type="checkbox"/> Compensation committee</div> <div><input type="checkbox"/> Independent compensation consultant</div> <div><input type="checkbox"/> Form 990 of other organizations</div>	<div><input checked="" type="checkbox"/> Written employment contract</div> <div><input checked="" type="checkbox"/> Compensation survey or study</div> <div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div>		
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 accrued 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				
Dana Kellis MD	(i)							
	(ii)	325,968	128,090	4,453	14,927	51,832	525,270	204,404
BRIAN UNIACKE MD	(i)							
	(ii)	185,792		1,639	11,192	15,707	214,330	109,867
Roger Longenderfer MD	(i)							
	(ii)	561,821	285,177	32,899	337,815	51,985	1,269,697	500,086
William H Pugh	(i)							
	(ii)	293,362	69,163	8,262	347	28,286	399,420	169,104
Christopher P Markley Esq	(i)							
	(ii)	255,164	91,302	5,111	15,169	31,288	398,034	145,899
Richard C Seneca Esq	(i)							
	(ii)	201,600					201,600	
Barry Moore	(i)	584,116				74,154	658,270	322,868
	(ii)							
Roger Ostdahl	(i)	582,771				76,839	659,610	324,718
	(ii)							
Salim Q azizadeh	(i)	255,421		56,413	12,350	12,706	336,890	191,738
	(ii)							
Rifaat Bashir	(i)	281,025		10,995	13,031	17,287	322,338	170,627
	(ii)							
John F barnoski	(i)	171,939	112,099		14,750	13,878	312,666	149,437
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

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

Schedule J (Form 990) 2008

Software ID:

Software Version:

EIN: 25-1709054

Name: PINNACLE HEALTH MEDICAL SERVICES

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				
Dana Kellis MD	(i) (ii)	325,968	128,090	4,453	14,927	51,832	525,270	204,404
BRIAN UNIACKE MD	(i) (ii)	185,792		1,639	11,192	15,707	214,330	109,867
Roger Longenderfer MD	(i) (ii)	561,821	285,177	32,899	337,815	51,985	1,269,697	500,086
William H Pugh	(i) (ii)	293,362	69,163	8,262	347	28,286	399,420	169,104
Christopher P Markley Esq	(i) (ii)	255,164	91,302	5,111	15,169	31,288	398,034	145,899
Richard C Seneca Esq	(i) (ii)	201,600					201,600	
Barry Moore	(i) (ii)	584,116				74,154	658,270	322,868
Roger Ostdahl	(i) (ii)	582,771				76,839	659,610	324,718
Salim Q azizadeh	(i) (ii)	255,421		56,413	12,350	12,706	336,890	191,738
Rifaat Bashir	(i) (ii)	281,025		10,995	13,031	17,287	322,338	170,627
John F barnoski	(i) (ii)	171,939	112,099		14,750	13,878	312,666	149,437

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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

PINNACLE HEALTH MEDICAL SERVICES

Employer identification number

25-1709054

Identifier	Return Reference	Explanation
Form 990, Part III, line 2	New Program Services	PH Palliative Care (PHPC) - The focus of this new program will be on the inpatient care of patients during the final months or days of their life, seeking to improve both the balance of care vis-a-vis comfort and dignity and the quality of pain relief treatment In the role as the Pain Team of the System, the palliative care specialist will be available to any patient who is in need of specialized assessment and treatment of difficult or intractable pain This will dovetail nicely with the newly proposed cancer center program End-of-life care has been identified nationally as a moment of time which takes up an inordinate amount of health care resources, with great variation geographically and little in the way of demonstrable value, dying with dignity is an option that all of us should have at the end of life

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 10		The authority and responsibility for review of the Form 990 for Pinnacle Health System and subsidiaries, shall be delegated to the Finance and Audit Committee of the Pinnacle Health System Board In order to accomplish this, all members of the Finance and Audit Committee shall be provided with a reasonable opportunity to review and comment to executive leadership on the IRS Form 990's of the Pinnacle Health System and its subsidiaries, including Pinnacle Health Hospitals, Pinnacle Health Medical Services, Pinnacle Health Foundation, Pinnacle Health HomeCare and Hospice and Community Life Team before they are filed with the Internal Revenue Service In addition, each member of each respective Board of Directors will be given access to view their individual Form 990 via a shared, password-protected website

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		In the performance of their duties to Pinnacle Health System and subsidiaries (collectively referred to as "PHS"), covered persons shall seek to act in the best interests of PHS, and shall exercise good faith, loyalty, diligence and honesty A covered person is any individual who serves in a fiduciary capacity to, or who has legal authority to represent or obligate, the Pinnacle Health System or any of its affiliated organizations including, but not limited to, directors, officers, employees, and agents Covered persons also include a) immediate families (spouses, children, siblings, parents, or spouse's parents), b) any organization in which they or their immediate families directly or indirectly i) have a material financial or beneficial interest, or ii) serve as a director, officer, employee, agent, attorney or similar capacity A covered person shall disclose any business or personal interests or relationships which may be in conflict with the interest of PHS, including, but not limited to (a) engaging in or seeking to be engaged in (i) the delivery of health care services or (ii) the delivery of goods or services to PHS, or (b) any transaction or arrangement with PHS which would result in benefit to covered persons Covered persons who are Directors must comply with the Pinnacle Health System Guidelines for determining director independence and applying director independence requirements Covered persons with a conflict of interest shall not vote on the matter, and the PHS Board or committee must approve, authorize, or ratify the transaction or arrangement by a majority vote of the non-interested directors or committee members present at a meeting that has a quorum Violations of this statement of policy may subject covered persons to appropriate sanctions, including removal from their positions with PHS

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		The compensation committee of the Pinnacle Health System ("PHS") Board of Directors has the authority to develop and maintain executive and physician compensation to be approved by the Pinnacle Health System Board The compensation committee will follow a diligent process that meets regulatory requirements for a rebuttable presumption of a reasonableness and promotes effective governance of executive compensation, consistent with the PHS's compensation philosophy 1 Follow a process that establishes and maintains a rebuttable presumption of reasonableness for all executives and physicians potentially subject to intermediate sanctions 2 Prepare minutes for each meeting to record the terms of the committee's decisions and the process followed in reaching those decisions These minutes must include indications that the committee is following good practices in dealing with conflicts of interest and in obtaining and relying on appropriate comparability data on total compensation 3 Select and directly engage and supervise any consultant hired by PHS to advise the committee on executive and physician compensation 4 Periodically evaluate the appropriateness of this charter and the effectiveness of the process the committee uses in governing executive and physician compensation and report this evaluation to the board 5 Provide the Board with an annual report on the committee's actions 6 monitor changes in laws and regulations pertaining to executive compensation and benefits to see that PHS complies with them 7 Seek outside review of committee operations to ensure compliance with the IRS rebuttable presumption of reasonableness 8 Review actual executive compensation and benefits provided to confirm consistency with compensation and benefits approved by the committee

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		The organization does not make its governing documents or conflict of interest policy available for public inspection as this is not required by federal or state law The organization includes a copy of its financial statements with the state registration filed with the Pennsylvania Department of State, Bureau of Charitable Organizations These documents are a matter of public record and can be viewed at the bureau office

Identifier	Return Reference	Explanation
Form 990, Part VII, Section A		The following officers and directors have worked an average of 40 hours per week between Pinnacle Health Medical Services and all related organizations of Pinnacle Health System, the parent company Roger Longenderfer, MD Dana Kellis, MD Brian Uniacke, MD William H Pugh Christopher P Markley Richard D Seneca, Esq

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

Cat No 51056K

Schedule O (Form 990) 2008

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2008

Open to Public Inspection

▶ 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.

Name of the organization
PINNACLE HEALTH MEDICAL SERVICES

Employer identification number
25-1709054

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
Pinnacle Health Cumberland Condominium Association 409 South Second Street PO box 8700 harrisburg, PA 171058700 20-8977427	condominium association	PA	0	0	Pinnacle health Hospitals
Pinnacle Health Emergency Department Services LLC 409 south second street PO box 8700 harrisburg, PA 171058700 86-1057582	medical emergency services	PA	0	0	Pinnacle health Hospitals
United Health Risk LTD PO Box HM2450 Hamilton, Bermuda HM JX BD 25-1778658	captive insurance	BD	0	0	Pinnacle Health System

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
Pinnacle Health System 409 South Second Street PO Box 8700 Harrnsburg, PA171058700 25-1778658	Management and consultative services for related entities	PA	501(C)(3)	Line 11, Type III	N/A
Pinnacle Health Home Care and Hospice 409 South Second Street PO Box 8700 harrisburg, PA171058700 23-2024121	skilled homecare services and services to terminally ill	PA	501(C)(3)	Line 3	pinnacle Health hospitals
Pinnacle Health Foundation 409 South Second Street PO Box 8700 harrisburg, PA171058700 22-2691718	investment and fundraising activities for related tax-exempt orgaizations	PA	501(C)(3)	Line 11, Type II	Pinnacle Health System
Community Life Team 409 South Second Street PO Box 8700 harrisburg, PA171058700 23-1890444	medical transport services	PA	501(C)(3)	LIne 9	Pinnacle Health System
Pinnacle Health Hospitals 409 South Second Street PO Box 8700 harrisburg, PA171058700 25-1778644	Inpatient and outpatient healthcare services	PA	501(C)(3)	Line 3	Pinnacle Health System

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?		(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner?	
							Yes	No		Yes	No
Central Pennsylvania MRI Center 1714 N Second Street Harnsburg, PA17102 23-2411259	health services	PA	N/A								
Valley Green Medical Park 409 South Second Street PO Box 8700 harrisburg, PA171058700 25-1599794	health services	PA	N/A								
West Shore Surgery Center 409 South Second Street PO Box 8700 harrisburg, PA171058700 25-1821415	surgical care - medical services	PA	pinnacle Health Hospitals	related	41,593	28,753		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
United Central PA Risk retention Group 76 St Paul Street Suite 500 bulington, VT054014477 13-4224033	captive insurance	VT	N/A	C			

Part V

Transactions with Related Organizations

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

Yes

No

No

No

Yes

No

No

No

No

No

Yes

No

Yes

Yes

Yes

No

Yes

Yes

Yes

Yes

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)		
(2)		
(3)		
(4)		
(5)		
(6)		

Schedule R (Form 990) 2008

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.

[illegible]

Additional Data

Software ID:

Software Version:

EIN: 25-1709054

Name: PINNACLE HEALTH MEDICAL SERVICES

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
a Patient Revenue, Net	621,110	27,499,593	27,499,593		
b physician medical PPI	621,110	381,000	381,000		
c Physician services/cov	621,110	98,743	98,743		
d Partnership passthroug	621,400	41,593	41,593		
e I/C transplant service	621,110	41,358	41,358		