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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
MOUNTAIN STATES HEALTH ALLIANCE

Doing Business As
Johnson City Medical Center

Number and street (or P O box if mail is not delivered to street address) | Room/suite
400 NORTH STATE OF FRANKLIN ROAD

City or town, state or country, and ZIP + 4
JOHNSON CITY, TN 37604

D Employer identification number
62-0476282

E Telephone number
(423) 431-1013

G Gross receipts $ 688,312,185

F Name and address of Principal Officer
DENNIS VONDERFECHT
701 NSTATE OF FRANKLIN RD Ste 1
JOHNSON CITY, TN 37604

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 msha com

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

L Year of Formation 1945

M State of legal domicile TN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PLEASE SEE SCHEDULE O - PART I, LINE 1 MISSION AND SIGNIFICANT ACTIVITIES

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	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	7
5	Total number of employees (Part V, line 2a)	5	5,632
6	Total number of volunteers (estimate if necessary)	6	2,889
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	3,600,841
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	4,110,285	3,633,909
9	Program service revenue (Part VIII, line 2g)	548,533,643	658,812,783
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	31,463,265	15,033,623
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,640,523	6,512,402
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	589,747,716	683,992,717
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,553,226	460,751
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)	242,579,419	276,505,647
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	(Total fundraising expenses, Part IX, column (D), line 25 1,164,398)		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	359,121,537	369,535,487
18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	603,254,182	646,501,885
19	Revenue less expenses Subtract line 18 from line 12	-13,506,466	37,490,832

		Beginning of Year	End of Year
20	Total assets (Part X, line 16)	1,362,539,381	1,529,066,198
21	Total liabilities (Part X, line 26)	1,126,208,968	1,349,056,846
22	Net assets or fund balances Subtract line 21 from line 20	236,330,413	180,009,352

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

****** 2010-04-27
Signature of officer Date

DENNIS VONDERFECHT CEO
Type or print name and title

Paid Preparer's Use Only

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

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ Pershing Yoakley & Associates P C
One Cherokee Mills 2220 Sutherland
Knoxville, TN 379192363

EIN ▶

Phone no ▶ (865) 673-0844

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

MOUNTAIN STATES HEALTH ALLIANCE IS COMMITTED TO BRINGING LOVING CARE TO HEALTH CARE WE EXIST TO IDENTIFY AND RESPOND TO THE HEALTH CARE NEEDS OF INDIVIDUALS AND COMMUNITIES IN OUR REGION AND TO ASSIST THEM IN ATTAINING THEIR HIGHEST POSSIBLE LEVEL OF HEALTH

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 $ 531,993,086 including grants of $) (Revenue $ 656,790,509)

Mountain States Health Alliance ("MSHA") was created in September 1998 as a private, locally owned, tax-exempt, regional healthcare system MSHA is a 1,273 bed tertiary care and referral hospital system, the region's largest by bed count and volumes For the year ending June 30, 2009, MSHA recorded 48,362 inpatient admissions, and provided for 747,258 outpatient visits, including 163,281 emergency visits, and 97,568 home health visits The Alliance is composed of 11 hospitals, an outpatient surgery center, an outpatient radiation oncology center, an outpatient diagnostic center and two outpatient rehabilitation therapy centers It also has services for home health, durable medical equipment, infusion therapy, hospice and parish nursing MSHA entities, in concert with the Mountain States Healthcare Network of 54 affiliated hospitals and nursing homes, provide an integrated, comprehensive continuum of care to residents across a widespread, predominantly rural 29 county area of Appalachia The service area includes parts of Northeast Tennessee, Southwest Virginia, Southeast Kentucky and Western North Carolina All 11 MSHA hospitals are located in Northeast Tennessee and Southwest Virginia Johnson City Medical Center, the company's flagship facility, is home to many of the region's critically needed programs During fiscal year 2009, MSHA also entered into a majority investment partnership with Johnston Memorial Hospital ("JMH"), located in Abingdon, VA JMH is licensed for 135 beds MSHA also has a majority ownership in Smyth County Community Hospital ("SCCH") located in Marion, VA, Norton Community Hospital ("NCH"), located in Norton, VA, and Dickenson Community Hospital ("DCH"), located in Clintwood, VA JMH, SCCH, NCH and DCH are partially owned entities, therefore their data is excluded from this document Washington County, TN Johnson City Medical Center ("JCMC") Flagship Facility Teaching Hospital Affiliated with Quillen College of Medicine at East Tennessee State University ("ETSU") Level I Trauma Center, one of only six in Tennessee Recognized in 2008 by the American Heart Association and the American Stroke Association as a Silver Performance Award Winner for its results in treating coronary artery disease and heart failure Home of the Regional Cancer Center, which has an affiliate relationship with St Jude Children's Research Hospital Home to the St Jude Tri-Cities Affiliate Clinic, one of only six in the country, working with the Memphis facility to treat pediatric patients in our region Home of the region's only organ transplant program - one of only six in Tennessee Home of the region's only state-designated Perinatal Center - one of only five in Tennessee Home of the region's first and largest air ambulance fleet, Wings Air Rescue First hospital in Tennessee awarded Magnet status for nursing excellence by American Nurses Credentialing Center 2001-2009 Consumer's Choice Award for the region through an independent survey conducted by the National Research Council Best Overall Quality, Best Doctors, Best Nurses, Most Personalized Care and Having the Best Reputation Other Facilities Niswonger Children's Hospital at JCMC, the region's only NACHRI-affiliated children's hospital, North Side Hospital, Johnson City Specialty Hospital, James H & Cecile C Quillen Rehabilitation Hospital (CARF-accredited), and Woodridge Hospital for behavioral health services Sullivan County, TN Indian Path Medical Center, Indian Path Pavilion for behavioral health servicesCarter County, TN Sycamore Shoals HospitalJohnson County, TN Johnson County Community Hospital, a federally designated critical access hospital located in one of Tennessee's poorest counties, a medically underserved areaRussell County, VA Russell County Medical Center, a federally designated critical access hospital located in one of Virginia's poorest counties, a medically underserved areaMSHA was awarded the Governor's Excellence Award by the Tennessee Center for Performance Excellence in 2009 MSHA was also the recipient of this esteemed award in 2005 and is the first healthcare recipient to be recognized twice, and only the second organization in the history of TNCPE to be recognized at this top level more than once Other recognitions received by MSHA include the Verispan top 100 Integrated Hospital Networks designation and the 2008 Most Wired Hospitals and Healthcare Networks by Hospital and Healthcare Networks magazine Audit and Compliance Practices MSHA is governed by a Board of Directors, whose members are from the communities MSHA serves The corporate board includes a longstanding Audit and Compliance Committee All auditors and compliance specialists, internal and external, report directly to the Audit and Compliance Committee as a way to ensure the audit and compliance process is independent MSHA's Compliance Plan ensures the organization conducts business in an appropriate manner and in accordance with local, state and federal laws and regulations The plan addresses fiscal accountability and transparency of operations through the review and use of independent audits by external auditors and rating agencies Upon employment, MSHA team members receive a copy of the booklet Code of Ethics and Business Conduct, detailing required standards of behavior Yearly, team members receive refresher education on their obligations under the Code of Ethics and Business Conduct Annually, department directors, executive officers and board members are required to sign MSHA's Conflict of Interest policy By signing this policy, they affirm their knowledge and understanding of the policy and also have the opportunity to disclose any conflict of interest they may have All team members are required by policy to immediately disclose situations that may constitute conflicts of interest when they arise MSHA is fully compliant with regulatory and legal requirements, and its hospitals are accredited by The Joint Commission MSHA has implemented a no retaliation and no-retribution policy for the protection of individuals who, in good faith, report legal or ethical concerns Team members are required to report concerns to appropriate persons for investigation or follow up AlertLine is a confidential, risk free hotline for reporting suspected illegal behavior, ethical violations or safety risks and is available to all team members via a toll free number Medical Education and Research MSHA provides clinical experience to medical students and residents of the James H Quillen College of Medicine at ETSU MSHA contributed an unreimbursed cost amount of $3,967,731 to the residency program in 2009 Also receiving clinical experience at MSHA were 903 nursing students from various colleges, universities and programs This nursing clinical experience required extensive MSHA nursing staff involvement at five MSHA facilities The clinical setting and hands on instruction cost MSHA $1,844,548 MSHA provided a clinical setting for another 481 students training in health related programs such as radiology, pharmacy, laboratory, physical therapy and other health science disciplines These additional clinical students cost MSHA $403,195 MSHA provided essential training for 25 allied health professionals and helped 279 high school and college students determine a particular career path by allowing them to observe licensed MSHA professionals The training of allied health professionals and the shadowing of clinical staff cost MSHA $25,318 MSHA provided additional funding to East Tennessee State University's Evening RN program The amount funded during fiscal year 2009 was $197,960 MSHA supported two healthcare career advisor positions in the Johnson City School System at a cost of $73,147 Patient Care Services Data shows that the health status of MSHA's service area is generally poor MSHA's service area consists of counties in Tennessee and Southwest Virginia Among the 50 states, Tennessee ranked 44th and Virginia ranked 21st in terms of health status Some of the overwhelming health issues in our service area include 1 High prevalence of obesity2 High infant mortality3 High rate of cigarette smoking4 Poor air quality 5 Low rate of diabetic care6 High rate of uninsured 7 Low level of education8 High rate of deaths due to cardiovascular conditions, cancer and diabetes

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 $ 531,993,086 *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		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	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	Yes	
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		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
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**		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*	**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	746		
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	5,632		
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			No
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			No
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 13		
b	Enter the number of voting members that are independent . .	1b 7		
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	Yes	
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	Yes	
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	Yes	
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? *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		No
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		

Section C. Disclosure

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

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

MARVIN EICHORN
400 N STATE OF FRANKLIN RD
JOHNSON CITY, TN 37604
(423) 431-1017

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 ▶								4,993,356	712,393	778,873

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 150

			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**	Yes	
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
PEPPER CONSTRUCTION COMPANY OF INDIANA L 1850 W 15TH STREET INDIANAPOLIS, IN 46202	CONSTRUCTION	14,287,621
HOSPITAL HOUSEKEEPING SYSTEMS 322 CONGRESS AVENUE AUSTIN, TX 78701	HOUSEKEEPING SERVICES/MGMT	3,309,312
TRAVEL NURSE SOLUTIONS LLC 3750 CORPORATE WOODS DRIVE BIRMINGHAM, AL 35242	STAFFING AGENCY	2,750,722
ADVANTAGE RN 4184 RELIABLE PARKWAY CHICAGO, IL 60686	STAFFING AGENCY	2,048,426
CDSS ENTERPRISES 635 TOLL BRANCH ROAD JOHNSON CITY, TN 37601	CONSTRUCTION	1,625,507

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 38

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 2,902,443				
	e	Government grants (contributions) 1e 639,251				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f 92,215				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total (Add lines 1a-1f)** ▶	3,633,909			
Program Service Revenue		Business Code				
	2a	PATIENT SERVICES	621,500	654,179,266	652,127,468	2,051,798
	b	WELLNESS PROGRAMS	621,990	3,940,733	3,940,733	
	c	P/S PROG SERV INCOME	561,000	1,409,877	1,440,118	-30,241
	d	LOSS ON DEBT RETIREMEN	900,099	-717,093	-717,093	
	e					
	f	All other program service revenue				
	g	**Total. Add lines 2a-2f** ▶ $ 658,812,783				
	3	Investment income (including dividends, interest other similar amounts) ▶	16,233,466		6,577	16,226,889
	4	Income from investment of tax-exempt bond proceeds ▶	2,583,545			2,583,545
	5	Royalties				
		(i) Real / (ii) Personal				
	6a	Gross Rents 514,685				
	b	Less rental expenses 259,095				
	c	Rental income or (loss) 255,590				
	d	Net rental income or (loss) ▶	255,590			255,590
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory 276,985				
	b	Less cost or other basis and sales expenses 4,020,449 / 39,924				
	c	Gain or (loss) -4,020,449 / 237,061				
	d	Net gain or (loss) ▶	-3,783,388	-717		-3,782,671
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 ▶				
	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	CAFETERIA SALES	722,210	3,814,327		3,814,327
	b	JCMC DAYCARE	624,410	887,951		887,951
	c	MANAGEMENT FEE	541,610	868,362	868,362	
	d	All other revenue _____		686,172	704,345	-18,173
	e	**Total. Add lines 11a-11d** ▶ $ 6,256,812				
	12	**Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶	683,992,717	656,790,509	3,600,841	19,967,458

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	460,751	460,751		
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	4,465,364		4,465,364	
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	220,429,757	207,067,220		511,505
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,871,160	7,505,359	347,277	18,524
9 Other employee benefits	28,207,208	26,314,197	1,859,000	34,011
10 Payroll taxes	15,532,158	14,285,689	1,220,502	25,967
11 Fees for services (non-employees)				
a Management	380,401		380,401	
b Legal	1,090,926		1,090,926	
c Accounting	289,774		265,644	24,130
d Lobbying	4,493		4,493	
e Professional fundraising *See Part IV, line 17*				
f Investment management fees	932,601		932,601	
g Other	85,198,593	68,956,367	15,998,121	244,105
12 Advertising and promotion	2,364,169	1,840,817	505,312	18,040
13 Office expenses	9,462,526	7,999,835	1,316,131	146,560
14 Information technology	8,800,785	8,078,458	722,327	
15 Royalties				
16 Occupancy	12,165,487	10,130,226	1,971,985	63,276
17 Travel	1,963,158	1,540,826	390,058	32,274
18 Payments of travel or entertainment expenses for any Federal, state or local public officials				
19 Conferences, conventions and meetings	296,716	215,763	80,923	30
20 Interest	44,726,266	140,722	44,585,544	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	52,949,216	28,085,943	24,853,016	10,257
23 Insurance	1,520,588	-7,100	1,527,688	
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 MEDICAL SUPPLIES & DRUG	127,512,981	129,329,291	-1,817,210	900
b REPAIRS & MAINTENANCE	11,838,774	12,120,898	-296,977	14,853
c BAD DEBTS	3,188,375	3,177,682	10,693	
d RECRUITMENT & RETENTION	2,019,407	1,445,095	574,162	150
e MEALS	1,045,017	917,414	126,280	1,323
f All other expenses	1,785,234	2,387,633	-620,892	18,493
25 **Total functional expenses.** Add lines 1 through 24f	646,501,885	531,993,086	113,344,401	1,164,398
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			1	0
	2	Savings and temporary cash investments		87,019,742	2	191,283,991
	3	Pledges and grants receivable, net		108,821	3	288,879
	4	Accounts receivable, net		89,789,864	4	87,441,027
	5	Receivables from current and former officers, directors, trustees, key employees or other related parties *Complete Part II of Schedule L*		2,705,125	5	3,643,645
	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		53,738,008	7	98,414,951
	8	Inventories for sale or use		14,411,241	8	13,908,048
	9	Prepaid expenses and deferred charges		6,819,392	9	7,002,378
	10a	Land, buildings, and equipment cost basis	10a 722,137,475			
	b	Less accumulated depreciation *Complete Part VI of Schedule D*	10b 327,894,772	329,820,797	10c	394,242,703
	11	Investments—publicly traded securities		260,408,746	11	137,081,332
	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*		149,636,615	13	282,350,254
	14	Intangible assets		148,807,298	14	154,365,082
	15	Other assets See Part IV, line 11 *Complete Part IX of Schedule D*		219,273,732	15	159,043,908
	16	**Total assets.** *Add lines 1 through 15 (must equal line 34)*		1,362,539,381	16	1,529,066,198
Liabilities	17	Accounts payable and accrued expenses		63,868,526	17	74,107,505
	18	Grants payable			18	
	19	Deferred revenue		21,545,151	19	20,765,454
	20	Tax-exempt bond liabilities		490,307,147	20	610,470,055
	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		420,863,707	23	389,886,147
	24	Unsecured notes and loans payable			24	4,342,306
	25	Other liabilities *Complete Part X of Schedule D*		129,624,437	25	249,485,379
	26	**Total liabilities.** *Add lines 17 through 25*		1,126,208,968	26	1,349,056,846
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		236,330,413	27	179,553,523
	28	Temporarily restricted net assets			28	455,829
	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			32	
	33	Total net assets or fund balances		236,330,413	33	180,009,352
	34	Total liabilities and net assets/fund balances		1,362,539,381	34	1,529,066,198

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	Yes	
b	If "Yes," did the organization undergo the required audit or audits?		3b	Yes	

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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
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **Section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **Section 509(a)(4).** (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: 62-0476282
Name: MOUNTAIN STATES HEALTH ALLIANCE

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			
DENNIS VONDERFECHT , PRESIDENT/CEO	60 00	X		X				739,606	0	50,011
CAMERON PERRY , DIRECTOR	1 00	X						0	0	0
WILLIAM WALKER MD , DIRECTOR	1 00	X						0	712,393	46,928
BARBARA ALLEN , Director	1 00	X						0	0	0
JEFF FARROW MD , DIRECTOR	1 00	X						31,063	0	0
THOMAS BURLESON , Director	1 00	X						0	0	0
JOANNE GILMER , Chair	1 00	X						0	0	0
JOHN CAMPBELL , Director	1 00	X						0	0	0
SANDRA BROOKS MD , Director	1 00	X						0	0	0
DON JEANES , PAST CHAIR	2 00	X						0	0	0
MAUREEN MACIVER , Secretary	1 00	X						0	0	0
GARY PEACOCK , DIRECTOR	1 00	X						0	0	0
CLEM WILKES JR , DIRECTOR	1 00	X						0	0	0
MARVIN EICHORN , SR VP/CFO	60 00			X				534,495	0	213,602
DALE CLAYTORE , AVP	58 00				X			173,291	0	10,477
JOHN DOYLE , AVP/CFO IPMC	50 00				X			191,920	0	29,719
ANN FLEMING , SR VP	60 00				X			347,966	0	52,535
CANDACE JENNINGS , SR VP/CEO WASHINGTON CO	70 00				X			260,433	0	37,815
LYNN KRUTAK , AVP/CFO	64 00				X			201,697	0	28,978
MONTY MCLAURIN , VP/CEO IPMC	50 00				X			291,248	0	53,082
CINDY SALYER , VP CARDIO/PULMONARY	50 00				X			252,433	0	41,293
JOHN MELTON , SR VP/CEO	60 00				X			400,984	0	35,158
KENNETH MARSHALL , SR VP/CMO	40 00					X		542,027	0	40,960
STEVE KILGORE , PRESIDENT/CEO BRMMC	50 00					X		239,565	0	44,002
JAMIE PARSONS , VP H/R	50 00					X		231,572	0	26,890
LINDA WHITE , VP/CEO SCCH	55 00					X		222,034	0	32,510
RICHARD ESHBACH , VP I/S	50 00					X		216,445	0	34,777
KERRY VERMILLION , FORMER CFO WASHINGTON CO	55 00						X	116,577	0	136

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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
MOUNTAIN STATES HEALTH ALLIANCE	62-0476282

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)?	Yes		
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?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		274,973
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			274,973
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?			

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
Part II-B, Line 1i	Explanation of Other Lobbying Activities	THE COMMUNITY & GOVERNMENT RELATIONS ASSISTANT VICE PRESIDENT AND/OR THE COMMUNITY & GOVERNMENT RELATIONS MANAGERS ATTENDED THE FOLLOWING LEGISLATIVE CONFERENCES - PREMIER FEDERAL AFFAIRS NETWORK MEETINGS - AMERICAN HOSPITAL ASSOCIATION ANNUAL MEETING - TENNESSEE HOSPITAL ASSOCIATION LEGISLATIVE ADVOCACY DAY - TENNESSEE HOSPITAL ASSOCIATION ANNUAL MEETING - HOSPITAL ALLIANCE OF TENNESSEE ANNUAL MEETING - NACHRI THE COMMUNITY & GOVERNMENT RELATIONS ASSISTANT VICE PRESIDENT AND/OR THE COMMUNITY & GOVERNMENT RELATIONS MANAGERS HAVE ALSO SENT LETTERS AND MADE CALLS TO A CONGRESSIONAL OFFICE CONCERNING THE FOLLOWING ISSUES - STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP) - LOBBIED TO PREVENT MEDICARE AND MEDICAID CUTS TO HOSPITALS - HOUSE AND SENATE IME LETTERS - EMPLOYEE FREE CHOICE ACT (EFCA)(CARD CHECK) DENNIS VONDERFECHT (MSHA CEO) SENT LETTERS OF OPPOSITION - URGED SENATORS TO KEEP HEALTHCARE PROVISIONS IN THE ECONOMIC RECOVERY BILL (FEDERAL STIMULUS PACKAGE) - LOBBIED FOR PERMANENT DSH PAYMENT FOR TENNESSEE HOSPITALS - HEALTH CARE REFORM - NATIONAL TRAUMA CENTER STABILIZATION ACT - NOT-FOR-PROFIT HOSPITAL TAX EXEMPTIONS THE FOLLOWING EXAMPLES OF STATE OF TENNESSEE LEGISLATION THAT THE COMMUNITY & GOVERNMENT RELATIONS ASSISTANT VICE PRESIDENT AND/OR THE COMMUNITY & GOVERNMENT RELATIONS MANAGERS RESPONDED TO BY LETTER, CALL OR IN PERSON ARE - OPPOSED PAYMENT RATE REDUCTIONS - TENNCARE AND VIRGINIA MEDICAID - SUPPORTED CONTINUATION OF CON (COPN) - PROTECTED TENNESSEE'S TRAUMA FUND - OPPOSED LEGISLATION TO REPEAL TENNESSEE'S HELMET REQUIREMENT FOR MOTORCYCLISTS

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
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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		20,580,974		20,580,974
b Buildings		367,007,332	102,090,923	264,916,409
c Leasehold improvements		398,871	302,060	96,811
d Equipment		334,150,298	225,501,789	108,648,509
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				394,242,703

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
INVESTMENT IN BRMMC	100,273,634	C
INVESTMENT IN ISHN	1,784,120	C
INVESTMENT IN PREMIER	192,500	C
INVESTMENT IN SCCH	48,100,000	C
INVESTMENT IN JMH	132,000,000	C
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶	282,350,254	

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

(a) Description	(b) Book value
AWUL - CURRENT	7,461,113
AWUL - UNDER BOND INDENTURE AGREEMENTS	118,572,815
DEFERRED CHARGES AND OTHER	26,155,976
LONG TERM COMPENSATION INVESTMENT	6,854,004
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	159,043,908

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	
ACCRUED INTEREST	11,551,128
OTHER LONG-TERM LIABILITIES	8,030,304
ACCRUED SALARIES, ABSENCES, & W/H	33,488,064
CALL OPTION LIABILITY	78,022,106
ESTIMATED FAIR VALUE OF INT RATE SWAP	34,764,623
DUE TO THIRD PARTY PAYORS	4,005,524
DUE TO BRMMC	25,652,390
DUE TO SCCH	28,493,526
DUE TO JMH	25,434,760
DUE TO MSHA AUXILIARY	42,954
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	249,485,379

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
Part X	Description of Uncertain Tax Positions Under FIN 48	MOUNTAIN STATES HEALTH ALLIANCE ADOPTED THE PROVISIONS OF FASB INTERPRETATION NO 48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, ("FIN 48") IN 2008 FIN 48 PROVIDES GUIDANCE FOR HOW UNCERTAIN TAX POSITIONS SHOULD BE RECOGNZED, MEASURED, PRESENTED AND DISCLOSED IN THE CONSOLIDATED FINANCIAL STATEMENTS FIN 48 REQUIRES THE EVALUATION OF TAX POSITONS TAKEN OR EXPECTED TO BE TAKEN IN THE COURSE OF PREPARING TAX RETURNS TO DETERMINE WHETHER THE TAX POSITIONS ARE "MORE LIKELY THAN NOT" OF BEING SUSTAINED BY THE APPLICABLE TAX AUTHORITY, INCLUDING RESOLUTION OF ANY APPEALS OR LITIGATION, BASED ON THE TECHNICAL MERITS OF THE POSTION, INCLUDING ADMINISTRATIVE PRACTICES AND PRECEDENTS THE TAX BEENFIT TO BE RECOGNIZED IS MEASURED AS THE LARGEST AMOUNT OF BENEFIT THAT IS GREATER THAN FIFTY PERCENT LIKELY OF BEING REALIZED UPON ULTIMATE SETTLEMENT WHICH COULD RESULT IN THE ALLIANCE RECORDING A TAX LIABILITY THAT WOULD REDUCE NET ASSETS TAX POSITIONS NOT DEEMED TO MEET A "MORE LIKELY THAN NOT" THRESHOLD WOULD BE RECORDED AS TAX EXPENSE IN THE CURRENT YEAR THE ALLIANCE HAS NO SIGNIFICANT UNCERTAIN TAX POSITIONS AT JUNE 30, 2009 OR 2008

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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
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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)
See Additional Data Table									

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

Additional Data

Software ID:
Software Version:
EIN: 62-0476282
Name: MOUNTAIN STATES HEALTH ALLIANCE

Form 990 Schedule H, Part V - Facility Informaiton

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)
INDIAN PATH MEDICAL CENTER 2000 BROOKSIDE DRIVE KINGSPORT,TN 37660	X	X					X		
INDIAN PATH TRANSITIONAL 2000 BROOKSIDE DRIVE KINGSPORT,TN 37660									SKILLED NURSING
JOHNSON CITY MEDICAL CENTER 400 N STATE OF FRANKLIN ROAD JOHNSON CITY,TN 37604	X	X	X	X		X	X		
JCMC AMBULATORY SURGERY 400 N STATE OF FRANKLIN ROAD JOHNSON CITY,TN 37604		X							AMBUL SURG CNTR
JOHNSON CITY SPECIALTY HOSPITAL 203 E WATAUGA AVENUE JOHNSON CITY,TN 37601	X	X							
JOHNSON COUNTY COMMUNITY HOSPITAL 1901 S SHADY STREET MOUNTAIN CITY,TN 37683	X				X		X		
JOHNSON COUNTY HOME HEALTH 1987 S SHADY STREET MOUNTAIN CITY,TN 37683									HOME HEALTH
MEDICAL CENTER HOME CARE - JOHNSON CITY 101 MED TECH PKWY STE 100 JOHNSON CITY,TN 37604									HOME HEALTH
MEDICAL CENTER HOME CARE - KINGSPORT 2020 BROOKSIDE DRIVE 28 KINGSPORT,TN 37660									HOME HEALTH
MEDICAL CENTER HOSPICE 101 MED TECH PKWY STE 100 JOHNSON CITY,TN 37604									HOSPICE
MOUNTAIN STATES DIAGNOSTIC CENTER 1 PROFESSIONAL PARK DRIVE 16 JOHNSON CITY,TN 37604									OUTPATIENT DIAG
NORTH SIDE HOSPITAL 401 PRINCETON ROAD JOHNSON CITY,TN 37602	X	X					X		
PRINCETON TRANSITIONAL 401 PRINCETON ROAD JOHNSON CITY,TN 37602									SKILLED NURSING
RUSSELL COUNTY MEDICAL CENTER 58 CARROLL STREET LEBANON,VA 24266	X	X					X		
RUSSELL CO MEDICAL CENTER HOME HEALTH 116 FLANNAGAN AVENUE LEBANON,VA 24266									HOME HEALTH
RUSSELL COUNTY MEDICAL CENTER HOSPICE 116 FLANNAGAN AVENUE LEBANON,VA 24266									HOSPICE
SYCAMORE SHOALS HOSPITAL 1501 W ELK AVENUE ELIZABETHTON,TN 37643	X	X					X		
STATE OF FRANKLIN HEALTHCARE ASSOC 301 MED TECH PKWY JOHNSON CITY,TN 37604									OUTPATIENT DIAG
FRANKLIN TRANSITIONAL 2511 WESLEY STREET JOHNSON CITY,TN 37601									SKILLED NURSING

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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
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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
AMERICAN CANCER SOCIETY508 PRINCETON ROAD STE 102 JOHNSON CITY,TN 37601	64-0329009	501(C)(3)	9,200	1,382	COST	FOOD & PRINT'G SERVICES	PRINT EDUCATIONAL BROCHURES & FUNDRAISING SUPPORT
APPALACHIAN REGIONAL COALITION ON HOMELESS212 AKARD PLACE BRISTOL,TN 37620	30-0224760	501(C)(3)	10,000				PROVIDE FUNDING FOR COMPUTER SOFTWARE ENHANCEMENTS
BARTER THEATREPO BOX 867 ABINGDON,VA 24212	54-6000120	501(C)(3)	27,000				GENERAL DONATION TO COMMUNITY THEATRE
BOYS & GIRLS CLUB OF KINGSPORTPO BOX 784 213 LEE ST KINGSPORT,TN 37662	62-0481370	501(C)(3)	10,000				GENERAL DONATION
ETSU FOUNDATIONPO BOX 70721 JOHNSON CITY,TN 37614	23-7092731	501(C)(3)	56,000				RURAL HEALTH, NURSING ED , KIDS HEALTH PROGRAMS, ETC
JUNIOR LEAGUE OF KINGSPORT418 SHELBY STREET KINGSPORT,TN 37660	10-0161317	501(C)(3)	7,000				DONATION FOR JUNIOR LEAGUE FUNDRAIDING EVENT
KINGSPORT FUN FEST151 E MAIN STREET KINGSPORT,TN 37662	62-0446834	501(C)(3)	10,018				SPONSOR COMMUNITY EVENT
ETSU807 UNIVERSITY PKWY JOHNSON CITY,TN 37614	62-6021046	501(C)(3)	204,617				SUPPORT PEDIATRIC PROGRAM & COLLEGE OF NURSING
RHYTHM AND ROOTS29 SIXTH STREET BRISTOL,TN 37620	72-1526206	501(C)(3)		5,352	COST	PROVIDED PRINTING SERVICES	HEALTH BROCHURES
WORLD ORPHAN CHARITIESPO BOX 1840 CASTLE ROCK,CO 80104	33-0571309	501(C)(3)		5,188	COST	MEDICAL SUPPLIES	PROVISION OF MEDICAL SUPPLIES TO ASSIST ORPHANED CHILDREN

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 10

3 Enter total number of other organizations . . . . . ▶ 0

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

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
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 IN FY09, MSHA BEGAN THE YEAR WITH THE FOLLOWING CRITERIA FOR OUR CONTRIBUTIONS TO ORGANIZATIONS IN THE REGION HEALTHCARE THE ORGANIZATION ENHANCED OR IMPROVED ACCESS FOR THE UNINSURED OR UNDERINSURED POPULATION OR SUPPORTED A PROGRAM TO IMPROVE THE HEALTH OF OUR CHILDREN (I E , CHILDHOOD OBESITY PREVENTION) EDUCATION THE ORGANZATION PROVIDED A PROGRAM TO IMPROVE EDUCATION OF THE CHILDREN IN OUR REGION ALL THE WAY TO COLLEGE AGE STUDENTS (RN NURSING PROGRAMS) QUALITY OF LIFE THE ORGANIZATION OFFERED PROGRAMS TO ENHANCE THE QUALITY OF LIFE WHICH IS IMPORTANT IN THE RECRUITMENT EFFORTS OF BUSINESSES IN THE REGION AS WE WORK TO ATTRACT AND RETAIN THE BEST TALENT FOR THE SUPPORTED PROGRAMS, METRICS WERE SET SO THE SUCCESS (OR FAILURE) OF THE PROGRAM COULD BE MEASURED AS THE ECONOMIC SITUATION WORSENED IN FY09, THE CRITERIA MOVED TO OUR LONG TERM GOAL OF SUPPORTING PROGRAMS THAT WERE FOCUSED MORE ON HEALTH AND WELLNESS, PARTICULARLY WITH CHILDHOOD OBESITY

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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
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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
	Part I, Line 4a	THE FOLLOWING EXECUTIVES LISTED IN FORM 990, PART VII, SECTION A, LINE 1A PARTICIPATED IN A 457(F) RETIREMENT PLAN PROVIDED BY MSHA ANN FLEMING, CANDACE JENNINGS, MONTY MCLAURIN, CINDY SALYER, STEVE KILGORE, JAMIE PARSONS, AND LINDA WHITE LINDA WHITE, CEO AT SCCH, RECEIVED A 457(f) DISTRIBUTION OF $9,067 76

Additional Data Return to Form

Software ID:
Software Version:
EIN: 62-0476282
Name: MOUNTAIN STATES HEALTH ALLIANCE

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				
DENNIS VONDERFECHT	(I)	584,045	71,872	83,689	26,100	23,911	789,617	
	(II)							
WILLIAM WALKER MD	(I)							
	(II)	594,418	116,796	1,179	45,000	1,928	759,321	
MARVIN EICHORN	(I)	413,817	68,607	52,071	186,800	26,802	748,097	
	(II)							
DALE CLAYTORE	(I)	144,875	15,755	12,661	7,661	2,816	183,768	
	(II)							
JOHN DOYLE	(I)	178,556	3,929	9,435	11,609	18,110	221,639	
	(II)							
ANN FLEMING	(I)	281,673	45,375	20,918	34,513	18,022	400,501	10,726
	(II)							
CANDACE JENNINGS	(I)	222,469	29,250	8,714	15,984	21,831	298,248	6,341
	(II)							
LYNN KRUTAK	(I)	179,955	20,350	1,392	11,215	17,763	230,675	
	(II)							
MONTY MCLAURIN	(I)	249,154	31,966	10,128	24,345	28,737	344,330	
	(II)							
CINDY SALYER	(I)	177,057	23,433	51,943	20,693	20,600	293,726	4,469
	(II)							
JOHN MELTON	(I)	333,317	48,326	19,341	13,798	21,360	436,142	
	(II)							
KENNETH MARSHALL	(I)	355,125	59,427	127,475	12,279	28,681	582,987	17,860
	(II)							
STEVE KILGORE	(I)	208,123	27,300	4,142	23,367	20,635	283,567	5,207
	(II)							
JAMIE PARSONS	(I)	187,156	25,543	18,873	18,745	8,145	258,462	
	(II)							
LINDA WHITE	(I)	177,243	23,434	21,357	11,689	20,821	254,544	
	(II)							
RICHARD ESHBACH	(I)	184,311	27,514	4,620	11,516	23,261	251,222	
	(II)							
KERRY VERMILLION	(I)	116,413		164		136	116,713	
	(II)							

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a.
Provide descriptions, explanations, and any additional information in Schedule O.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Part I Bond Issues *(Required for 2008)*

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	HEALTH AND EDUCATIONAL FACILITIES BOARD OF THE CITY OF JOHNSON CITY TN	62-1464028	478271GX1	02-14-2006	173,030,000	2006A BONDS		X		X
B	HEALTH AND EDUCATIONAL FACILITIES BOARD OF THE CITY OF JOHNSON CITY TN	62-1464028	478271HL6	02-20-2008	72,770,000	2008A HOSPITAL REVENUE BONDS		X		X
C	INDUSTRIAL DEVELOPMENT AUTHORITY OF RUSSELL COUNTY VIRGINIA	54-1479716	782468BD3	02-20-2008	54,230,000	2008B HOSPITAL REVENUE BONDS		X		X
D	HEALTH AND EDUCATIONAL FACILITIES BOARD OF THE CITY OF JOHNSON CITY TN	62-1464028	478271HJ1	12-14-2007	104,355,000	2007A HOSPITAL REVENUE BONDS		X		X
E	INDUSTRIAL DEVELOPMENT AUTHORITY OF SMYTH COUNTY VIRGINIA	54-1758381	832870AA7	12-14-2007	36,575,000	2007C HOSPITAL REVENUE BONDS		X		X

Part II Proceeds *(Optional for 2008)*

		A	B	C	D	E
1	Total Proceeds of Issue					
2	Gross Proceeds in Reserve Funds					
3	Proceeds in Refunding or Defeasance Escrows					
4	Other Unspent Proceeds					
5	Issuance Costs from Proceeds					
6	Working Capital Expenditures from Proceeds					
7	Capital Expenditures from Proceeds					
8	Year of Substantial Completion					

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?										
10	Were the bonds issued as part of an advance refunding issue?										
11	Has the final allocation of proceeds been made?										
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use *(Optional for 2008)*

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

Part III Private Business Use *(Continued)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?										
3b	Are there any research agreements with respect to the financed property which may result in private business use?										
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
4	Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government										
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another 501(c)(3) organization, or a state or local government										
6	Total of lines 4 and 5										
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

Part IV Arbitrage *(Optional for 2008)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T been filed wth respect to the bond issue?										
2	Is the bond issue a variable rate issue?										
3a	Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?										
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?										
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?										
6	Did the bond issue qualify for an exception to rebate?										

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a.
Provide descriptions, explanations, and any additional information in Schedule O.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Part I Bond Issues *(Required for 2008)*

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	HEALTH AND EDUCATIONAL FACILITIES BOARD OF THE CITY OF JOHNXON CITY TNIA	62-1464028	478271HT9	03-31-2009	5,560,000	2009A BONDS		X		X
B	INDUSTRIAL DEVELOPMENT AUTHORITY OF SMYTH COUNTY VIRGINIA	54-1758381	832870AD1	03-31-2009	5,535,000	2009B BONDS		X		X
C	INDUSTRIAL DEVELOPMENT AUTHORITY OF WASHINGTON COUNTY VIRGINIA	52-1324605	938740CF2	03-31-2009	115,955,000	2009C BONDS		X		X

Part II Proceeds *(Optional for 2008)*

		A	B	C	D	E
1	Total Proceeds of Issue					
2	Gross Proceeds in Reserve Funds					
3	Proceeds in Refunding or Defeasance Escrows					
4	Other Unspent Proceeds					
5	Issuance Costs from Proceeds					
6	Working Capital Expenditures from Proceeds					
7	Capital Expenditures from Proceeds					
8	Year of Substantial Completion					

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?										
10	Were the bonds issued as part of an advance refunding issue?										
11	Has the final allocation of proceeds been made?										
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use *(Optional for 2008)*

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

Part III Private Business Use *(Continued)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?										
3b	Are there any research agreements with respect to the financed property which may result in private business use?										
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
4	Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government										
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another 501(c)(3) organization, or a state or local government										
6	Total of lines 4 and 5										
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

Part IV Arbitrage *(Optional for 2008)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T been filed wth respect to the bond issue?										
2	Is the bond issue a variable rate issue?										
3a	Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?										
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?										
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?										
6	Did the bond issue qualify for an exception to rebate?										

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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
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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	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	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
DENNIS VONDERFECHT SPLIT DOLLAR LIFE INSUR LOAN		X	2,705,125	2,705,125		No	Yes		Yes	
DENNIS VONDERFECHT SPLIT DOLLAR LIFE INSUR LOAN		X	900,000	938,520		No	Yes		Yes	
Total . . . . . ▶ $				3,643,645						

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	No
BURLESON CONSTRUCTION COMPANY	PROVIDER OF GENERAL CONTRACTING SERVICES TO MSHA	381,684	THOMAS BURLESON, MEMBER OF THE MSHA BOARD OF DIRECTORS, IS A SHAREHOLDER OF BURLESON CONSTRUCTION COMPANY, WHICH PROVIDES CONSTRUCTION SERVICES TO MSHA Transactions are conducted at arms-length based upon an independent bidding process Only independent disinterested members of the board review, approve, and oversee all aspects and all elements of the construction contracts		No
CLEM WILKES III	FAMILY MEMBER OF CLEM WILKES, JR , MSHA BOARD MEMBER	31,739	CLEM WILKES, JR , MEMBER OF THE MSHA BOARD OF DIRECTORS, IS A FAMILY MEMBER OF CLEM WILKES, III, AN EMPLOYEE OF MSHA		No
WATAUGA PATHOLOGY ASSOCIATES	PROVIDER OF MEDICAL SERVICES TO MSHA	290,487	DR SANDRA BROOKS, MEMBER OF THE MSHA BOARD OF DIRECTORS, IS A PARTNER IN WATAUGA PATHOLOGY ASSOCIATES, WHICH PROVIDES MEDICAL SERVICES TO MSHA		No
PULMONARY ASSOCIATES OF EAST TENNESSEE	PROVIDER OF MEDICAL SERVICES TO MSHA	55,408	DR JEFF FARROW, MEMBER OF THE MSHA BOARD OF DIRECTORS, IS A PARTNER IN PULMONARY ASSOCIATES OF EAST TENNESSEE, WHICH PROVIDES MEDICAL SERVICES TO MSHA		No
PAULA CLAYTORE	FAMILY MEMBER OF DALE CLAYTORE, MSHA KEY EMPLOYEE	193,011	DALE CLAYTORE, A KEY EMPLOYEE OF MSHA, IS A FAMILY MEMBER OF PAULA CLAYTORE, AN EMPLOYEE OF MSHA		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
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Identifier	Return Reference	Explanation
Form 990, Part I, Item C	Doing Business As	JOhnson City Specialty Hospital JOhnson county community hospital North side Hospital Russell County Medical Center Sycamore shoals hospital Indian Path Medical Center Woodridge Hospital for Behavioral Health Services

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		THE CORPORATION IS ORGANIZED AS A TENNESSEE NOT-FOR-PROFIT MEMBERSHIP CORPORATION FOR THE PAYMENT OF $100, AND APPROVAL BY THE BOARD OF DIRECTORS, AN INDIVIDUAL MAY BECOME A MEMBER OF THE CORPORATION

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		THE MEMBERS OF THE CORPORATION ANNUALLY ELECT MEMBERS OF THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		CERTAIN DECISIONS OF THE BOARD ARE, PURSUANT TO TENNESSEE STATUTE, SUBJECT TO APPROVAL BY THE MEMBERSHIP AS WELL THESE DECISIONS INCLUDE DISSOLUTION OF THE CORPORATION, MERGER OF THE CORPORATION, NON-ORDINARY COURSE OF BUSINESS SALE OF ASSETS, ETC NO ORDINARY DAY-TO-DAY DECISIONS ARE SUBJECT TO MEMBER APPROVAL

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 10		MSHA'S FORM 990 WAS REVIEWED BY MSHA'S BOARD OF DIRECTORS PRIOR TO SUBMITTING THE RETURN TO THE IRS MSHA'S CFO AND SENIOR VICE-PRESIDENT PRESIDED OVER THE BOARD REVIEW THE BOARD MEMBERS WERE PROVIDED ELECTRONIC ACCESS TO THE FORM 990 AND SCHEDULES PRIOR TO THE IN-PERSON REVIEW TO ALLOW MEMBERS ADEQUATE TIME TO LOOK OVER THE RETURN IN ADDITION, FORM 990, PART VII AND SCHEDULE J WERE REVIEWED BY AN OUTSIDE AND INDEPENDENT COMPENSATION CONSULTANT THE CONSULTANT IS FREQUENTLY UTILIZED BY THE BOARD AS A RESOURCE DUE TO HIS KNOWLEDGE AND EXPERTISE IN COMPENSATION AND BENEFIT MATTERS

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		ANNUALLY, THE AUDIT AND COMPLIANCE DEPARTMENT OF THE CORPORATION FORWARDS THE POLICY AND THE CONFLICT OF INTEREST DISCLOSURE FORMS TO ALL COVERED PERSONS EACH PERSON IS REQUIRED TO PROVIDE A COMPLETED DISCLOSURE FORM, NOTING ANY CONFLICTS OR ATTESTING THEY HAVE "NONE", AND THEN FORWARD THOSE BACK TO THE AUDIT AND COMPLIANCE DEPARTMENT ANY DISCLOSURES ARE FORWARDED TO THE APPROPRIATE MANAGEMENT OR BOARD PERSONNEL TO EVALUATE AND UTILIZE WHEN A TRANSACTION INVOLVING A CONFLICTED PERSON ARISES ADDITIONALLY, PERSONNEL WHO HAVE A CONFLICT ARISE BETWEEN THE ANNUAL DISTRIBUTION OF THE POLICY AND FORMS ARE REQUIRED TO DISCLOSE THE CONFLICT, AND WOULD BE DISCIPLINED IN ANY INSTANCE WHERE THEY HAVE NOT DISCLOSED AND ENGAGED IN A CONFLICTED TRANSACTION

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		THE COMPENSATION COMMITTEE, WHICH IS THE EXECUTIVE COMMITTEE OF THE MSHA BOARD, OBTAINS THE SERVICES OF AN OUTSIDE AND INDEPENDENT COMPENSATION CONSULTANT TO PROVIDE THE COMMITTEE WITH RELEVANT MARKET DATA FROM COMPENSATION SURVEYS AND WITH ADVICE WHEN THE COMMITTEE MAKES RECOMMENDATIONS ON PAY AND BENEFITS FOR THE CEO OF MSHA THE BOARD ALSO APPROVES PAY AND BENEFITS FOR THE CFO THE COMPENSATION COMMITTEE REVIEWS AND HAS FINAL APPROVAL OF CEO RECOMMENDATIONS FOR PAY AND BENEFITS FOR ALL OTHER EXECUTIVES

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE MADE AVAILABLE UPON REQUEST TO APPROPRIATE PARTIES REQUESTING THEM FINANCIAL STATEMENTS ARE MADE AVAILABLE UPON REQUEST TO APPROPRIATE PARTIES REQUESTING THEM, AND THEY ARE MADE AVAILABLE TO THOSE PARTIES WHO OWN INDEBTEDNESS OF THE COMPANY ON A QUARTERLY AND ANNUAL BASIS

Identifier	Return Reference	Explanation
FORM 990, PART VII - RELATED ORGANIZATIONS		CERTAIN EXECUTIVES OF THE ORGANIZATION PROVIDE SERVICES TO SOME OR ALL OF THE ORGAINIZATIONS RELATED TO MOUNTAIN STATES HEALTH ALLIANCE THE EXECUTIVES DO NOT ALLOCATE THEIR HOURS BETWEEN THE VARIOUS ORGANIZATIONS

Identifier	Return Reference	Explanation
FORM 990, PART VII, SECTION A	DIRECTOR COMPENSATION	MSHA BOARD MEMBER, DR JEFF FARROW, HAS FORM 990 REPORTABLE COMPENSATION DERIVED FROM MEDICAL SERVICES HE PROVIDES TO A MSHA HOSPITAL HE DOES NOT RECEIVE COMPENSATION FOR HIS SERVICES AS A MSHA BOARD MEMBER DR WILLIAM WALKER, MSHA BOARD MEMBER, HAS REPORTABLE COMPENSATION AND BENEFITS PAID BY BLUE RIDGE MEDICAL MANAGEMENT CORPORATION (BRMMC), A COMPANY OWNED BY MSHA DR WALKER IS A CARDIOVASCULAR THORACIC SURGEON IN A MEDICAL PRACTICE OWNED BY BRMMC

Identifier	Return Reference	Explanation
FORM 990 - PART I, LINE 1 MISSION & SIGNIFICANT ACTIVITIES		MOUNTAIN STATES HEALTH ALLIANCE IS COMMITTED TO ITS MISSION OF IDENTIFYING AND RESPONDING TO THE HEALTHCARE NEEDS OF INDIVIDUALS AND COMMUNITIES WITHIN OUR 29 COUNTY REGION THIS IS DONE THROUGH THE PHILOSOPHY OF PATIENT CENTERED CARE TO ACCOMPLISH ITS MISSION, THE SYSTEM HAS DEVELOPED KEY STRATEGIES AND ASSOCIATED ACTION PLANS IN 2009, AN ONGOING STRATEGY WAS TO GROW MSHA, ALLOWING FOR IMPROVED ACCESS AND QUALITY PATIENT CARE THROUGHOUT OUR 29 COUNTY SERVICE AREA TO ACCOMPLISH THIS, MSHA EXPERIENCED THE FOLLOWING THE APRIL ADDITION OF JOHNSTON MEMORIAL HOSPITAL IN ABINGDON, VIRGINIA TO THE MSHA FAMILY THIS COMMUNITY HOSPITAL OFFERS A SECONDARY LEVEL OF SERVICE TO SUPPORT THE SMALLER MSHA COMMUNITY HOSPITALS IN RUSSELL AND SMYTH COUNTIES IN VIRGINIA WHEN TERTIARY OR LEVEL I TRAUMA SERVICES ARE NEEDED, JOHNSTON MEMORIAL HOSPITAL CAN TRANSFER THE PATIENT TO THE HUB OF THE MSHA SYSTEM, JOHNSON CITY MEDICAL CENTER THE MARCH OPENING OF THE NISWONGER CHILDREN'S HOSPITAL TO SERVE THE HEALTHCARE NEEDS OF THE 200,000 CHILDREN IN OUR REGION NISWONGER CHILDREN'S HOSPITAL IS HOME TO THE STATE-DESIGNATED REGIONAL PERINATAL CENTER FOR OUR REGION, AS WELL AS ST JUDE CHILDREN'S RESEARCH HOSPITAL'S TRI-CITIES AFFILIATE CLINIC FOR PEDIATRIC ONCOLOGY PATIENTS INCLUDED IN THIS PROJECT IS THE NEW CHILDREN'S EMERGENCY ROOM AT JOHNSON CITY MEDICAL CENTER WITH BOARD CERTIFIED PEDIATRIC EMERGENCY ROOM PHYSICIANS, THE ONLY ONE OF ITS KIND IN OUR REGION MSHA HAS MADE TREMENDOUS FINANCIAL INVESTMENTS TO NURSING PROGRAMS AT EAST TENNESSEE STATE UNIVERSITY AND LOCAL COLLEGES IN THIS REGION EACH PROGRAM WAS TARGETED TO INCREASE THE NUMBER OF RN STUDENTS AND GRADUATES WITH THE SUCCESS OF THESE PROGRAMS, MSHA IS BENEFITTING FROM INCREASED NUMBERS OF RN GRADUATES WHICH IN TURN, WILL BE INSTRUMENTAL IN THE ELIMINATION OF CONTRACT/TRAVELING NURSING TO MEET ITS MISSION CLINICALLY, MSHA IS INVOLVED IN NUMEROUS QUALITY INITIATIVES AROUND THE UNITED STATES, BENCHMARKING AND IMPROVING PATIENT OUTCOMES AT OUR ACUTE CARE FACILITIES THESE EFFORTS HAVE GENERATED NATIONAL, STATE AND REGIONAL RECOGNITIONS AS MSHA CONTINUES TO IMPROVE ITS PROCESSES AND OUTCOMES OUR MISSION DIRECTS THE SYSTEM TO IDENTIFY AND RESPOND TO THE HEALTHCARE NEEDS OF INDIVIDUALS AND COMMUNITIES IN OUR REGION AS A RESULT, MSHA FINANCIALLY SUPPORTS MANY NON PROFIT ORGANZIATIONS COMMITTED TO MEDICAL/DENTAL ASSISTANCE TO THE UNINSURED/UNDERINSURED, AS WELL AS PROGRAMS TO IMPROVE THE HEALTH AND WELLNESS OF OUR REGION

Identifier	Return Reference	Explanation
FORM 990 - PART XI, LINE 2B		ALTHOUGH THE ORGANIZATION DOES NOT RECEIVE STAND ALONE GAAP FINANCIAL STATEMENTS, IT DOES RECEIVE, ON AN ANNUAL BASIS FROM INDEPENDENT AUDITORS, CONSOLIDATED ENTITY FINANCIAL STATEMENTS FOR IT AND ITS SUBSIDIARIES THESE AUDITIED CONSOLIDATED FINANCIAL STATEMENTS ARE REVIEWED BY THE AUDIT COMMITTEE OF THE ORGANIZATION'S BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
FOrm 990, Part III, Line 4a	Statement of Program Service Accomplishments (COntinued)	Given this health profile, MSHA exists to identify and respond to the healthcare needs of all individuals and communities in the region and to assist them in attaining their highest possible level of health MSHA lives its mission to bring loving care to health care in our region MSHA operates on a non discriminatory basis, providing quality health care to all patients regardless of race, religion, gender, ethnicity, disability, age or ability to pay Charity and Unreimbursed Costs Charity Care While reimbursement for healthcare services rendered is critical to the operation and sustainability of the organization, MSHA recognizes its obligation to provide care to individuals who cannot afford essential medical services, including emergency care A patient is classified as a charity patient by reference to established policies of MSHA and guidelines outlined by the federal government In fiscal year 2009, MSHA incurred a loss of $8,870,889 attributable to the provision of free care to indigent patients Governmental Program Enrollees MSHA provides care to persons covered by governmental programs, including Medicare and Medicaid and State funded TennCare In fiscal year 2009, the unreimbursed cost of services provided to this patient population was $3,836,237 (Medicare, based on Medicare allowable costs), $5,288,588 (Medicaid) and $25,790,802 (TennCare) Bad Debt MSHA provides increasing services to self pay patients for which it receives little or no payment During fiscal year 2009, bad debts resulted in unreimbursed costs of $16,821,700 Promote Community Health MSHA offers many reduced price or free services and programs year round in care settings that it established to accommodate the widely scattered, aging and socioeconomically disadvantaged population Such programs serve bona fide community health needs and result in financial losses to the organization Wings Air Rescue ("Wings"), the region's only emergency medical helicopter service, is considered by MSHA to be a regional asset Licensed by the state of Tennessee and the Commonwealths of Kentucky and Virginia, Wings provided air transport of critically ill and injured patients to the closest tertiary facilities, including non-MSHA facilities 33% of their patients are from trauma scenes, with others being cardiac, OB, pediatric and medical During fiscal year 2009, Wings transported 1,615 patients and made 5 search and rescue flights at a net operating loss of $1,196,840 to MSHA "Ask A Nurse" Medical Call Center is a 24 hour toll free medical information line Experienced registered nurses answer calls and provide invaluable health information They manage physician approved patient triage services, make individual callbacks for pediatric and adult patients with serious symptoms, and coordinate patient transports and emergency department access In fiscal year 2009, Ask A Nurse handled 45,940 calls including 4,355 physician referrals MSHA incurred an expense of $657,322 to provide this service at no cost to the community The Health Resources Center ("HRC") is a community outreach service provided by MSHA The HRC is conveniently located in the region's largest shopping mall The HRC offers free classes, blood pressure checks, informational materials and resources as well as a number of other services in an effort to meet community members' basic health and health education needs The HRC had 24,131 visits to their office and performed 1,453 health screenings The HRC also hosted more than 7,616 attendees who participated in monthly health education programs The HRC also provides outreach services where they screened an additional 4,470 community members The uncompensated cost of HRC was $317,703 MSHA's Community Health and Wellness Screening Center ("CHAWS") works with local schools and businesses as well as individual community members to provide onsite health education programs, perform health assessments and offer healthy lifestyle counseling In fiscal year 2009, CHAWS provided services for 18,659 individuals with an unreimbursed expense of $321,909 Based on community needs, MSHA incurred an expense of $97,457 to recruit physicians into clinical/geographical areas that were federally designated as medically underserved MSHA incurred an additional expense of $1,588,179 to recruit physicians into other areas serviced by MSHA Johnson County Community Hospital ("JCCH") is a federally designated critical access hospital This facility is located in one of Tennessee's poorest counties and provides emergency, inpatient and outpatient care to the county's residents, many of whom are over 65 years old JCCH continues to be designated as a physician shortage area for many specialties JCCH operates a Physician Specialty Clinic, which incurred an operating loss of $71,269 in fiscal year 2009 The specialty clinic includes gastrointestinal, OB/GYN, general surgery, podiatry and other specialty services This continues to be a valuable resource to the residents of the area by aiding with transportation issues (other offices are more than an hour away), resolving access limitations for specialty services, and providing relief to the special health problems of a largely elderly population Rural life often includes hazardous occupations, chronic diseases caused by chemicals and effects associated with high employment Given these factors, rural hospitals must remain flexible and diverse in their facilities and the services they offer the community MSHA remains firm in the belief that financially supporting the services of JCCH and the specialty clinic to assist residents in attaining a high level of health continues to be a core value of our business and community support MSHA has partnered with the company MedAssist to work with self paying patients who have limited financial resources During fiscal year 2009, MedAssist representatives were available at all MSHA facilities for daily interaction and financial screening of patients MedAssist representatives were able to determine governmental medical assistance (TennCare or Medicaid) eligibility, and to help with the application process and follow-up During fiscal year 2009, 5,148 potentially eligible patients took advantage of MedAssist's help, and of those patients who applied for TennCare or Virginia Medicaid coverage, 2,781 (54%) were approved for coverage Once a person is approved for TennCare or Medicaid through the MedAssist program offered through MSHA, they retain coverage for future medical care MedAssist is compensated by MSHA During fiscal year 2009, MSHA's cost for this program was $1,876,503 MSHA provides access to several online health information services "My Health News" allows access to health information topics and services that matter to the user This service sends up to date information from national health resources tailored to individual needs MSHA provides access to "KidsHealth " This service gives practical parenting information and news This service also provides homework help for kids and straight talk answers for teens MSHA also partners with A D A M to provide "Health Encyclopedia " This service is one of the most respected and credible online medical resources in the world and offers access to 4,000 articles on health and wellness and covers more than 1,500 medical topics MSHA also provides links to helpful health related sites on the internet MSHA worked with GOJO, the makers of Purell, to implement a hand sanitizer program MSHA provided 3,000 bags of Purell alcohol gel to hundreds of elementary, middle and high schools in our region This initiative was a proactive measure by MSHA against the 2008 - 2009 season flu in an attempt to improve school attendance by lowering absenteeism due to illness In the schools where they aggressively implemented the gel units and measured the absenteeism, double digit improvements were recorded MSHA invested $14,026 in this initiative MSHA also gifts a land lease to the Ronald McDonald House at a fair market value of $60,000 The Ronald McDonald House is located on the campus of Niswonger Children's Hospital and Johnson City Medical Center MSHA pledged $50,000 to Susan G Komen Race for the Cure Susan G Komen is the global leader of the breast cancer movement and the world's largest grassroots network of breast cancer survivors and activists MSHA contributed $10,000 to the Appalachian Regional Coalition on Homelessness ("ARCH") ARCH works to end homelessness as currently experienced in our region Part of ARCH's role is to coordinate and empower the diverse charities, civic organizations and public institutions working to improve the homeless situation MSHA contributed $197,960 to East Tennessee State University's Evening Nursing program

Identifier	Return Reference	Explanation
Form 990, Part III, Line 4a	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS (CONTINUED)	Community Contributions As the second largest employer in the region, MSHA is one of the area's principle benefactors and has made corporate citizenship an integral part of its culture From system wide initiatives to individual efforts of caring team members, its aim is to enrich the communities that the organization serves MSHA's commitment includes financial contributions, in kind (non cash) contributions and leadership resources within three broad categories of giving 1) Direct contributions that support community healthcare needs and those nonprofit agencies that advocate the health and wellbeing of community members, 2) MSHA run and MSHA supported programs that contribute to the health and wellbeing of area residents, and 3) Education/training, both as a community citizen and as an employer 1) Direct Contributions (In Kind and Cash) MSHA leaders support and encourage all team members to volunteer time, money and skills to community service projects and charitable organizations Senior leaders and board members set a positive example for MSHA team members, serving voluntarily on committees and managing boards of local service and nonprofit organizations Many also serve as members and consultants on professional committees and task forces that affect regional development in health care and education Team members served the Boys & Girls Club, Kiwanis Club, Susan G Komen Breast Cancer Foundation, Economic Development Steering Committee for Washington County, Junior Achievement, Salvation Army, American Heart Association, Hands On! Museum, Kingsport Tomorrow Inc , Appalachian Mountain Project Access, Washington County Emergency Medical Services, Washington County Veteran's Memorial Committee of the Johnson City Parks and Recreation Foundation, Eating Disorders Coalition of Tennessee, Johnson City Symphony Orchestra, Dawn of Hope, United Way, Chamber of Commerce Boards and many others Although MSHA did not fully monitor these activities during fiscal year 2009 to tabulate the total financial cost, the amount would be significant since some of these team members devoted two weeks of normal work time to outside charitable activities Summary List of Charitable Giving In fiscal year 2009, MSHA provided cash and in kind support to numerous health and human service agencies, including but not limited to the following recipients Major programs are described in more detail in the sections that follow East Tennessee State University $204,617 ETSU Foundation $56,000 Susan G Komen Race for the Cure $53,387 American Heart Association $616 American Cancer Society $10,582 Arthritis Foundation $5,000 Appalachian Regional Coalition on Homelessness $10,000 United Way of Washington County $1,500 Juvenile Diabetes Research Foundation $2,500 The Salvation Army $750 Keystone Dental Care, Inc $627 March of Dimes $4,098 Kingsway Charities $3,850 Kingsport Tomorrow $1,500 Carter County Tomorrow , LLC $5,000 Johnson City Public Library $4,000 International Drug Education Association $1,790 Barter Theatre $27,000 Rural Health Association of Tennessee $2,200 World Orphan Charities $5,188 Crumley House $1,220 Northeast Tennessee Minority Resource Network $500 MSHA, in collaboration with area health agencies and providers, may offer assistance with coordination, advocacy and publicity, provide space, or contribute supplies to support groups for their program activities MSHA values social responsibility and is committed to community health and health education Annually, MSHA makes generous monetary donations to area health and human service agencies whose programs are specifically designed to provide for the healthcare needs of the homeless, indigent and underserved populations Throughout the year, MSHA makes contributions to local schools and organizations that provide educational and social support for young people Some of the contributions to youth programs include Local County and City Schools $4,538 Johnson City Fraternal Order of Police "Shop with a Cop" and Drug Awareness $600 CASA for Kids $500 Sequoyah Council Boy Scouts of America $1,000 Boys and Girls Club of Kingsport $10,000 Girls Inc $205 Coalition for Kids $1,240 Boys to Men $661 Jason Witten Score Foundation $1,000 MSHA's response to the region's high incidence rate of childhood obesity was to contribute $23,000 to East Tennessee State University's Fit Kids program MSHA also contributed $8,000 to East Tennessee State University's China Tennessee Rural Exchange program MSHA contributes annually to local chapters of several national nonprofit organizations whose research focuses on those diseases and conditions most prevalent in the region Fiscal year 2009 Susan G Komen Breast Cancer Foundation $53,387 American Cancer Society $10,582 American Heart Association (print services) $616 March of Dimes (print services and event supply purchases) $4,098 United Way $10,500 2) Community Programs Demographic studies and a customer market needs analysis, performed annually during strategic planning, indicate the necessity of having a wide array of free and price reduced services that are well situated for easy access from rural, mountainous areas MSHA has given high priority to investments in community outreach, and as a result, has established councils and departments whose focus is to translate findings into viable healthcare programs both for the community at large and for populations with special needs Among initiatives and ongoing services that promote community health and social wellbeing are disease management, wellness programs, health related education sessions by MSHA nurses, staff physicians, nutritionists, and other specialists, health screenings and support MSHA also offers special programs for youth, the elderly, the disabled and the medically underserved During fiscal year 2009, MSHA continued the largest community health needs assessment in its history in an effort to profile the health of the residents within the local region This assessment specifically focused on MSHA's 13 county core service area, which includes, but is not limited to, all the counties in which MSHA has a facility The seven Tennessee counties included in this needs assessment were Carter County, Greene County, Hawkins County, Johnson County, Sullivan County, Unicoi County and Washington County The other six Virginia counties are located in Southwest Virginia After analyzing the many health disparities in the region, MSHA chose obesity as its health priority During fiscal year 2009 MSHA began collaborative efforts with East Tennessee State University's College of Public Health to develop the MSHA/ ETSU Obesity Collaborative Committee The focus of this committee is to pull together many partners and organizations in collaboration to reduce the level of obesity throughout Northeast Tennessee and Southwest Virginia Over the following fiscal year, the committee will offer up to 25 micro grants of $2,000 each to local community organizations such as churches, community groups, schools and employers that want to explore obesity reduction efforts MSHA will provide the initial funding and ETSU will work on research efforts The MSHA/ETSU Obesity Collaborative Committee will evaluate local program grant recipients as to their ability to make a measurable impact on the level of obesity throughout the region This committee will then make recommendations to executive leadership as to how MSHA should continue to direct financial support for successful programs The assessment of the region's health needs as well as the development of the MSHA/ETSU Obesity Collaborative realized an expense of $21,782 to MSHA during fiscal year 2009 Programs for the community at large MSHA's Congestive Heart Failure Program is a multidisciplinary effort disease management program involving physicians, Cardiovascular Services, Home Health, "Ask A Nurse" Call Center and other hospital support groups By integrating its call center into a telehealth program for congestive heart failure patients, MSHA's program has become a leader in disease management and was named the "Best Collaboration in Disease Management in the Nation" by the Disease Management Association of America Of the 134 program participants in fiscal year 2009, 83% reported improvement in their ability to perform general activities of daily living and to be more active and involved with their families, 28% had no Emergency Department visits or hospital admissions for any reason and 78% had no CHF admission after enrollment into the program The fiscal year 2009 unreimbursed cost to MSHA was $68,326

Identifier	Return Reference	Explanation
Form 990, part III, Line 4a	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS (CONTINUED)	Through the Health Resources Center, MSHA offered health screenings to community members, business and industry, and schools at no charge or below cost Screenings include those for asthma, pulmonary/oxygen saturation, Type II diabetes risk, percent body fat, stroke, osteoporosis, hearing and skin cancer More than 15,856 screenings were performed during the fiscal year In addition to health assessments, registered nurses and dietitians provided counseling and health coaching services In addition, wellness programs were provided throughout the year, which included smoking cessation, weight management and diabetes control The fiscal year 2009 unreimbursed cost of this center was $317,703 In addition to the health screenings and support groups offered through the Health Resources Center, described above, a variety of screening and health fairs were provided at a cost of more than $17,803 These screenings covered a broad range of participant groups such as seniors and public school teachers, and provided blood pressure checks, colorectal screenings and physicals for pee wee and high school football players in Johnson County During fiscal year 2009, MSHA established the Community Health and Wellness Screening department ("CHAWS") CHAWS was set up to screen community members for various health related issues This department also contracts with local businesses to conduct on-site visits to perform similar screenings for their employees During fiscal year 2009, CHAWS had unreimbursed expenses of $321,909 During fiscal year 2009, MSHA initiated a program series called Health Aware Throughout fiscal year 2009, MSHA rolled out the first phase of this initiative with Heart Aware This program offered a seven minute online health assessment tool to determine an individual's risk for heart disease MSHA's Community Health and Wellness Screening center ("CHAWS") contacts at-risk participants to offer phone consults and to discuss their high risk criteria The Community Health and Wellness Screening center also offers additional services such as optional vascular screenings, cardiac calcium scoring and educational classes at the HRC Software licenses and program expenses related to Health Aware cost MSHA $55,545 in fiscal year 2009 The Hospice Program offers extended 13 month bereavement support rather than the required 12 month period, thus supporting their families during the anniversary of the month of the patient's death, which can be a challenging time Also provided is a Celebration of Life program for families of former hospice patients and the community at large The Parish Nurse Program is sponsored by MSHA's Home Health organization, with goals of recruiting area churches and registered nurses to the program and providing participants with education about parish nursing Parish nursing is an amalgam of social work, good neighboring and nursing It supports, educates and counsels those with healthcare needs from within their places of worship A few of the services provided by parish nurses are blood drives, flu clinics including flu shots, health screenings, health fairs and monthly blood pressure clinics Several of the nurses are certified to teach CPR and First Aid at no cost to participants MSHA provides the Parish Nurse Program with coordinators, sponsored orientation, monthly educational programs and other support functions Currently, there are 26 churches participating in Tennessee and six in Southwest Virginia with parish nurses on staff MSHA's fiscal year 2009 cost for the Parish Nurse program was $75,993 The Respond Departments at Woodridge Psychiatric Hospital ("WPH") and Indian Path Pavilion ("IPP") offer assessments and referrals for individuals dealing with mental health issues and substance abuse Professional staff includes behavioral health counselors and RNs who are available 24 hours a day, seven days a week to answer calls from the community concerning treatment Throughout the assessment process, Respond collaborates with a psychiatrist to determine the most appropriate level of care The Respond Departments at WPH and IPP incurred unreimbursed costs of $1,122,376 MSHA provided staff to local agencies, councils and other charitable organizations to assist with leadership programs, planning, service on steering committees and participation with special events Examples include American Red Cross blood drives, Healthy Babies Day, the American Cancer Society leadership council and others at a cost to MSHA of $48,177 We feel sure this amount is underreported due to the difficulty in tracking team members' many activities Programs for Special Populations Due to the use of emergency departments as walk-in clinics by the poor and underserved, MSHA has helped establish and finance alternative care settings such as the ETSU College of Nursing's Downtown Clinic in Johnson City, TN The Downtown Clinic is dedicated to serving the primary needs of the homeless, indigent and uninsured populations, providing them with free laboratory testing and assistance with their diagnosis and treatments In fiscal year 2009, the clinic moved into an MSHA owned property MSHA gifts the clinic rent, which is valued at a discounted $35,000 annually MSHA has an agreement with the Downtown Clinic to process their lab specimens as well as provide some diagnostic imaging services to clinic patients at no cost to the patient or the clinic In fiscal year 2009, the cost associated with the Clinic's lab testing was $66,451 and the cost of diagnostic imaging services was $12,422 These expenses are included in MSHA's Charity write offs During fiscal year 2009, MSHA also contributed an additional $25,000 contribution to assist with the Clinic's operations During fiscal year 2009, MSHA offered infant care classes The Young Moms and Dads program is a 24 week, weekly support group/prenatal education class for pregnant teens who are 20 and younger Offered semiannually, the programs served more than 37 young moms and their support persons MSHA also offered basic childcare classes, sibling classes, breastfeeding classes and lactation services The fiscal year 2009 cost for these programs exceeded $9,280 In addition to classes, moms earn points toward the purchase of donated items for themselves and their baby MSHA's service area comprises a stable, aging population, so the organization has established a number of programs to serve the needs of senior citizens An example of a senior program is the Pinnacle Club, a community outreach program for service area seniors that offers monthly health related events and fellowship opportunities at Johnson City Medical Center, Indian Path Medical Center, Russell County Medical Center and Sycamore Shoals Hospital Benefits include health screenings, free annual lab screenings, and discounted first time enrollment fees at our Wellness Center and Franklin Fitness Center There are currently 1,878 members The club sponsors health fairs, the Senior Expo, and monthly educational luncheons in Kingsport, Johnson City, and Elizabethton, TN, and in Lebanon, VA The club also provides free notary services, socials, travel opportunities and discounts through numerous vendors During fiscal year 2009, MSHA incurred a net operating loss of $88,408 attributable to its support of the program 3) Education and Training Community Health Educational Programs MSHA provided a variety of wellness and health information to help educate area residents about community specific health issues Information was provided through printed materials, speaking engagements, radio and television interviews, and health fairs and expos

Identifier	Return Reference	Explanation
Form 990, Part III, Line 4a	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS (CONTINUED)	MSHA accepted invitations to speak on health related topics at various community organizations and schools A variety of topics were presented such as skin care, stress management, nutrition, weight management, preventive care measures, care of aging parents and others Youth education programs were presented to students ranging from kindergarten to college and were designed to promote safety at play, age appropriate health issues, illness and injury prevention techniques, nutrition, and the dangers of tobacco, alcohol and drug use Dietitians gave talks, provided food demonstrations to various groups and visited area schools to discuss nutrition Home Health, Hospice and Parish Nursing also provided numerous speaking engagements The cost of providing these speaking engagements was approximately $31,125 MSHA's American Heart Association ("AHA") Training Center offered several courses to healthcare providers and to the public in an effort to expand the outreach of the American Heart Association and MSHA, promote wellness and save lives Programs include Advanced Cardiac Life Support, Basic Cardiac Life Support, Pediatric Advanced Life Support, First Aid and Life Support Instructor training The fiscal year 2009 unreimbursed cost to provide the educational courses to the public was $116,072 Important to the efficient and safe operation of the air ambulance is a clear understanding of how to clear and prepare landing zones and appropriate methods for communicating with air helicopter pilots at accident scenes and transport sites During fiscal year 2009, Wings Air Rescue made 148 training runs to area Emergency Medical Service facilities to perform training of EMS crews

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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
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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

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
DICKENSON COMMUNITY HOSPITAL PO BOX 1440 HOSPITAL DRIVE CLINTWOOD, VA24228 77-0599553	HOSPITAL	VA	501(C)(3)	LINE 3	NORTON COMMUNITY HOSPITAL
MOUNTAIN STATES FOUNDATION 2335 KNOB CREEK ROAD STE 101 JOHNSON CITY, TN37604 58-1418862	FUNDRAISING FOR MSHA HOSPITALS	TN	501(C)(3)	LINE 11A	N/A
MSHA AUXILIARY 400 N STATE OF FRANKLIN ROAD JOHNSON CITY, TN37604 58-1418345	SUPPORTING ORGANIZATION TO MSHA HOSPITALS	TN	501(C)(3)	LINE 11A	N/A
SMYTH COUNTY COMMUNITY HOSPITAL 565 RADIO HILL ROAD MARION, VA24354 54-0794913	HOSPITAL	VA	501(C)(3)	LINE 3	N/A
NORTON COMMUNITY HOSPITAL 100 15TH STREET NW NORTON, VA24273 54-0566029	HOSPITAL	VA	501(C)(3)	LINE 3	N/A
JOHNSTON MEMORIAL HOSPITAL 351 COURT STREET NW ABINGDON, VA24210 54-0544705	HOSPITAL	VA	501(C)(3)	LINE 3	N/A
ABINGDON PHYSICIAN PARTNERS 351 COURT STREET NW ABINGDON, VA24210 20-5485346	MEDICAL SERVICES	VA	501(C)(3)	LINE 11A	JOHNSTON MEMORIAL HOSPITAL

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) Disproprtionate allocations? No	(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner? Yes	(J) General or managing partner? No
INTEGRATED SOLUTIONS HEALTH NETWORK LLC 400 N STATE OF FRANKLIN RD JOHNSON CITY, TN37604 62-1711997	INVESTMENT COMPANY	TN	N/A	(D)		2,599,613		No			No
EMMAUS COMMUNITY HEALTHCARE PLLC 6070 HWY 11E PINEY FLATS, TN37686 20-0577483	MEDICAL SERVICES	TN	BLUE RIDGE MEDICAL MGMT CORP	(D)	51,338	659,585		No			No

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
See Additional Data Table							

Part V Transactions with Related Organizations

		Yes	No
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	1a	Yes	
b Gift, grant, or capital contribution to other organization(s)	1b		No
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	Yes	
k Performance of services or membership or fundraising solicitations for other organization(s)	1k	Yes	
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		No
n Sharing of paid employees	1n		No
o Reimbursement paid to other organization for expenses	1o		No
p Reimbursement paid by other organization for expenses	1p	Yes	
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: 62-0476282
Name: MOUNTAIN STATES HEALTH ALLIANCE

Form 990, Schedule R, 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 501(c)(3))	(F) Direct Controlling Entity
DICKENSON COMMUNITY HOSPITAL PO BOX 1440 HOSPITAL DRIVE CLINTWOOD, VA24228 77-0599553	HOSPITAL	VA	501(C)(3)	LINE 3	NORTON COMMUNITY HOSPITAL
MOUNTAIN STATES FOUNDATION 2335 KNOB CREEK ROAD STE 101 JOHNSON CITY, TN37604 58-1418862	FUNDRAISING FOR MSHA HOSPITALS	TN	501(C)(3)	LINE 11A	N/A
MSHA AUXILIARY 400 N STATE OF FRANKLIN ROAD JOHNSON CITY, TN37604 58-1418345	SUPPORTING ORGANIZATION TO MSHA HOSPITALS	TN	501(C)(3)	LINE 11A	N/A
SMYTH COUNTY COMMUNITY HOSPITAL 565 RADIO HILL ROAD MARION, VA24354 54-0794913	HOSPITAL	VA	501(C)(3)	LINE 3	N/A
NORTON COMMUNITY HOSPITAL 100 15TH STREET NW NORTON, VA24273 54-0566029	HOSPITAL	VA	501(C)(3)	LINE 3	N/A
JOHNSTON MEMORIAL HOSPITAL 351 COURT STREET NW ABINGDON, VA24210 54-0544705	HOSPITAL	VA	501(C)(3)	LINE 3	N/A
ABINGDON PHYSICIAN PARTNERS 351 COURT STREET NW ABINGDON, VA24210 20-5485346	MEDICAL SERVICES	VA	501(C)(3)	LINE 11A	JOHNSTON MEMORIAL HOSPITAL

Form 990, Schedule R, 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
BLUE RIDGE MEDICAL MANAGEMENT CORPORATION 1019 W OAKLAND AVE STE 5 JOHNSON CITY, TN37604 62-1490616	PHYSICIAN OFFICES	TN	N/A	C	51,476,767	177,788,993	100 000 %
HEALTH ALLIANCE PHYSICIAN HOSPITAL ORGANIZATION 400 N STATE OF FRANKLIN RD JOHNSON CITY, TN37604 62-1544522	MANAGEMENT	TN	N/A	C	1,062,115		100 000 %
MEDISERVE MEDICAL EQUIPMENT OF KINGSPORT 1021 W OAKLAND AVE STE 103 JOHNSON CITY, TN37604 62-1212286	DURABLE MEDICAL EQUIPMENT CO	TN	BLUE RIDGE MEDICAL MGMT CORP	C	4,635,351	3,053,711	100 000 %
MOUNTAIN STATES PROPERTIES 1021 W OAKLAND AVE STE 207 JOHNSON CITY, TN37604 62-1845895	PROPERTY MANAGEMENT	TN	BLUE RIDGE MEDICAL MGMT CORP	C	12,796,604	154,195,519	100 000 %
BLUE RIDGE PHYSICIAN GROUP 1019 W OAKLAND AVE STE 5 JOHNSON CITY, TN37604 62-1700412	HEALTHCARE SERVICES	TN	BLUE RIDGE MEDICAL MGMT CORP	C	23,652,915	3,141,857	100 000 %
COMMUNITY HOME CARE INC 1460 PARK AVENUE NORTON, VA24273 54-1453810	MEDICAL EQUIP SALES & RENTAL	VA	NORTON COMMUNITY HOSPITAL	C	296,334	380,186	50 100 %
COMMUNITY PHYSICIANS SERV CORP 100 15TH STREET NW NORTON, VA24273 54-1641446	MEDICAL SERVICES	VA	NORTON COMMUNITY HOSPITAL	C	1,838,767	21,501	50 100 %
SOUTHWEST COMMUNITY HEALTH SERV 565 RADIO HILL RD PO BOX 880 MARION, VA24354 54-1460695	MEDICAL SERVICES	VA	SMYTH CO COMMUNITY HOSPITAL	C	464,346	943,910	80 000 %

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

	(A) Name of other organization	(B) Transaction type(a-r)	(C) Amount Involved ($)
(1)	MOUNTAIN STATES PROPERTIES	I	1,583,232
(2)	MOUNTAIN STATES PROPERTIES	K	325,655
(3)	MEDISERVE	P	995,826
(4)	BLUE RIDGE MEDICAL MGMT CORP	K	502,442
(5)	BLUE RIDGE MEDICAL MGMT CORP	R	6,237,223
(6)	MEDISERVE	J	255,158
(7)	BLUE RIDGE MEDICAL MGMT CORP	L	13,397,097
(8)	SMYTH COUNTY COMMUNITY HOSPITAL	A	1,102,301
(9)	SMYTH COUNTY COMMUNITY HOSPITAL	Q	3,596,174
(10)	SMYTH COUNTY COMMUNITY HOSPITAL	K	3,135,396
(11)	DICKENSON COMMUNITY HOSPITAL	K	148,862
(12)	JOHNSTON MEMORIAL HOSPITAL	A	398,904
(13)	MOUNTAIN STATES FOUNDATION	C	2,897,573
(14)	BLUE RIDGE MEDICAL MGMT CORP	P	6,221,331

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Form **4562**
Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2008

Attachment Sequence No **67**

Name(s) shown on return	Business or activity to which this form relates	**Identifying number**
MOUNTAIN STATES HEALTH ALLIANCE	FORM 990T	62-0476282

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount See the instructions for a higher limit for certain businesses	**1**	250,000
2 Total cost of section 179 property placed in service (see instructions)	**2**	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	**3**	800,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	**4**	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	**5**	

(a) Description of property	**(b)** Cost (business use only)	**(c)** Elected cost
6		

7 Listed property Enter the amount from line 29	**7**	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	**8**	
9 Tentative deduction Enter the **smaller** of line 5 or line 8	**9**	
10 Carryover of disallowed deduction from line 13 of your 2007 Form 4562	**10**	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	**11**	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	**12**	
13 Carryover of disallowed deduction to 2009 Add lines 9 and 10, less line 12 ▶	**13**	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not** include listed property **)** (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	**14**	
15 Property subject to section 168(f)(1) election	**15**	
16 Other depreciation (including ACRS)	**16**	

Part III **MACRS Depreciation (Do not** include listed property.**)** (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2008	**17**	48,876
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	**(b)** Month and year placed in service	**(c)** Basis for depreciation (business/investment use only—see instructions)	**(d)** Recovery period	**(e)** Convention	**(f)** Method	**(g)** Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV **Summary** (See instructions)

21 Listed property Enter amount from line 28	**21**	
22 **Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instr	**22**	48,876
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	**23**	

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						**28**		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1						**29**		

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year (see instructions)					
43 Amortization of costs that began before your 2008 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	