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Form **990**

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)

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2008 calendar year, or tax year beginning 11/25, 2008, and ending 06/30, 2009

B Check if applicable: <input type="checkbox"/> Address change <input checked="" type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization HMH PHYSICIANS ORGANIZATION Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite 110 MEMORIAL HOSPITAL DRIVE City or town, state or country, and ZIP + 4 HUNTSVILLE, TX 77340	D Employer identification number 76-0500960
		E Telephone number (936) 291-3411
F Name and address of principal officer SALLY I. NELSON - PRESIDENT 110 MEMORIAL HOSPITAL DR HUNTSVILLE, TX 77340		G Gross receipts \$ 652,994.
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No" attach a list. (see instructions)
J Website: N/A		H(c) Group exemption number
K Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation 1994 M State of legal domicile TX

Part I Summary		Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>ALLOWS PATIENTS TO REMAIN IN THE HUNTSVILLE COMMUNITY TO RECEIVE TREATMENT AND FOLLOW UP FOR MEDICAL CONDITIONS WHICH GREATLY IMPROVES WALKER COUNTY HOSPITAL CORP'S ABILITY TO PROVIDE MEDICAL SERVICES.</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	3
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	3
	5 Total number of employees (Part V, line 2a)	5	NONE
	6 Total number of volunteers (estimate if necessary)	6	NONE
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	NONE
b Net unrelated business taxable income from Form 990-T, line 34	7b	NONE	
Revenue	8 Contribution and grants (Part VIII, line 1h)	NONE	545,624.
	9 Program service revenue (Part VIII, line 2g)	NONE	107,345.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	NONE	NONE
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	NONE	25.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	NONE	652,994.
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	NONE
14 Benefits paid to or for members (Part IX, column (A), line 4)		NONE	NONE
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		NONE	234,223.
16a Professional fundraising fees (Part IX, column (A), line 11e)		NONE	NONE
b Total fundraising expenses, Part IX, column (D), line 25			
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)		NONE	194,828.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		NONE	429,051.
19 Revenue less expenses. Subtract line 18 from line 12		NONE	223,943.
Net Assets or Fund Balances		20 Total assets (Part X, line 16)	NONE
	21 Total liabilities (Part X, line 26)	NONE	43,083.
	22 Net assets or fund balances. Subtract line 21 from line 20.	NONE	224,493.

Part II Signature Block

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

Sign Here
 Signature of officer: Sally I Nelson Date: 5-14-10
 Type or print name and title: SALLY I NELSON CEO/PRESIDENT

Paid Preparer's Use Only
 Preparer's signature: [Signature] Date: 5/12/10 Check if self-employed:
 Firm's name (or yours if self-employed) address, and ZIP + 4: ERNST & YOUNG U.S. LLP EIN: 34-6565596
55 IVAN ALLEN JR, SUITE 1000 ATLANTA, GA 30308 Phone no: 404-817-4050

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form 990 (2008)

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Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission

SEE STATEMENT 1

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 501(c)(4) organizations and section 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 \$ 429,051. including grants of \$ _____) (Revenue \$ 107,345.)

THE PULMONARY PRACTICE HAS ALLOWED THE COMMUNITY PATIENTS TO REMAIN IN THE HUNTSVILLE COMMUNITY TO RECEIVE TREATMENT AND FOLLOW UP FOR PULMONARY RELATED DISEASES. THIS HAS GREATLY IMPROVED WALKER HOSPITAL CORPORATION/HUNTSVILLE MEMORIAL HOSPITAL'S ABILITY TO PROVIDE THE MUCH NEEDED SERVICES OF A PULMONOLOGIST BOTH IN THE ER AND THE ICU UNITS PREVENTING COMPLICATED TRANSFERS AND PATIENT INCONVENIENCE. IT ALLOWS THE PATIENTS WITH PULMONARY RELATED DISEASE THE ABILITY TO RECEIVE CONTINUITY IN THEIR CARE, EDUCATION AND REHABILITATION.

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 ► \$ 429,051. (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	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		X
5 Sections 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		
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		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
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		X
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		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the U.S.?		X
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		X
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		X
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		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X
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		X
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		X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b 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		X
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		X
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		X

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)? <i>If "Yes," complete Schedule L, Part IV</i>		X
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
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? <i>If "Yes," complete Schedule L, Part IV</i>		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
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? <i>If "Yes," complete Schedule R, Part I</i>		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X

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	NONE		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	NONE		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	NONE		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	2b			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a		X	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X	
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		X	
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X	
c	If "Yes," to question 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		X	
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 more than \$75?	7a		X	
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		X	
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		X	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X	
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		X	
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		X	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		X	
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 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, process, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body	1a	3
1b	Enter the number of voting members that are independent	1b	3
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?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	X	
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	X	
8	Did the organizations contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
9a	Does the organization have local chapters, branches, or affiliates?		X
9b	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?		
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.	X	
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.		X

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13.	X	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done.	X	
13	Does the organization have a written whistleblower policy?	X	
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
15a	The organization's CEO, Executive Director, or top management official?	X	
15b	Other officers or key employees of the organization? Describe the process in Schedule O. (see instructions)	X	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	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?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **▶ NONE**
- 18** Section 6104 requires an organization to make its Forms 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.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization **▶ ROBERT E. GRAY, JR. 110 MEMORIAL HOSPITAL DRIVE HUNTSVILLE, TX 77340**
 936-291-3411

Part VIII Statement of Revenue

76-0500960

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 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	545,624.				
	e	Government grants (contributions) . .	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above .	1f					
	g	Noncash contributions included in lines 1a-1f \$						
	h	Total. Add lines 1a-1f		545,624.				
Program Service Revenue	2a	PROGRAM SERVICE REVENUE	Business Code 621990	107,345.	107,345.			
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		107,345.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		NONE				
	4	Income from investment of tax-exempt bond proceeds		NONE				
	5	Royalties		NONE				
	6a	Gross Rents	(i) Real	(ii) Personal				
	b	Less rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss)			NONE			
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	b	Less cost or other basis and sales expenses						
	c	Gain or (loss)						
	d	Net gain or (loss)			NONE			
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a					
			b	Less direct expenses	b			
			c	Net income or (loss) from fundraising events			NONE	
9a	Gross income from gaming activities. See Part IV, line 19	a						
		b	Less direct expenses	b				
		c	Net income or (loss) from gaming activities			NONE		
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			NONE		
Miscellaneous Revenue			Business Code					
11a	MISCELLANEOUS REVENUE	900099	25			25.		
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d			25.				
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e			652,994.	107,345.		25.	

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).**

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(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 . . .	NONE			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	NONE			
7 Other salaries and wages	214,320.	214,320.		
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions) . .	NONE			
9 Other employee benefits	NONE			
10 Payroll taxes	19,903.	19,903.		
11 Fees for services (non-employees)				
a Management	NONE			
b Legal	NONE			
c Accounting	NONE			
d Lobbying	NONE			
e Professional fundraising services See Part IV, line 17	NONE			
f Investment management fees	NONE			
g Other	42,143.	42,143.		
12 Advertising and promotion	NONE			
13 Office expenses	135,479.	135,479.		
14 Information technology	NONE			
15 Royalties	NONE			
16 Occupancy	NONE			
17 Travel	NONE			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	NONE			
20 Interest	9,255.	9,255.		
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization	NONE			
23 Insurance	7,951.	7,951.		
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 -----				
b -----				
c -----				
d -----				
e -----				
f All other expenses -----				
25 Total functional expenses. Add lines 1 through 24f	429,051.	429,051.		
26 Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	NONE	1	190,995.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	NONE	4	66,390.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	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		7	
	8	Inventories for sales or use		8	
	9	Prepaid expenses and deferred charges	NONE	9	10,191.
	10a	Land, buildings, and equipment cost basis	10a		
	b	Less: accumulated depreciation. Complete Part VI of Schedule D	10b	10c	
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11		15	
16	Total assets. Add lines 1 through 15 (must equal line 34)	NONE	16	267,576.	
Liabilities	17	Accounts payable and accrued expenses	NONE	17	43,083.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable		24	
	25	Other liabilities. Complete Part X of Schedule D	NONE	25	NONE
	26	Total liabilities. Add lines 17 through 25	NONE	26	43,083.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	NONE	27	224,493.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	Total net assets or fund balances	NONE	33	224,493.	
34	Total liabilities and net assets/fund balances	NONE	34	267,576.	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	X
b	Were the organization's financial statements audited by an independent accountant?	2b	X
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	X
b	If "Yes," did the organization undergo the required audit or audits?	3b	

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

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 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4.						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (See instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. 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 from 2007 Schedule A, Part IV-A, line 26f	15	%
16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test - 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 "fact-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 9 of Part I.)

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")					545,624.	545,624.
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					107,370.	107,370.
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					652,994	652,994.
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					539,094.	539,094.
c Add lines 7a and 7b.					539,094.	539,094.
8 Public support (Subtract line 7c from line 6)						113,900

Section B. 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					652,994.	652,994.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add lines 9, 10c, 11, and 12)						652,994

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. 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% support 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% support 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 explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

Area with horizontal dashed lines for supplemental information.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No 1545-0047

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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.

Name of the organization

HMH PHYSICIANS ORGANIZATION

Employer identification number

76-0500960

Part I Questions Regarding Compensation

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

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

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

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

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.

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

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a.

a Receive a severance payment or change of control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only 501(c)(3) and 501(c)(4) organizations 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?

b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III

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

a The organization?

b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III

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

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

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

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

Schedule J (Form 990) 2008

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) 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 reportable compensation				
(i) DAVID BUTLER	NONE 231,812.	NONE 31,911.	NONE 2,730.	NONE NONE	NONE NONE	NONE 266,453.	NONE 116,347.
(ii) -----	-----	-----	-----	-----	-----	-----	-----
(iii) -----	-----	-----	-----	-----	-----	-----	-----
(iv) -----	-----	-----	-----	-----	-----	-----	-----
(v) -----	-----	-----	-----	-----	-----	-----	-----
(vi) -----	-----	-----	-----	-----	-----	-----	-----
(vii) -----	-----	-----	-----	-----	-----	-----	-----
(viii) -----	-----	-----	-----	-----	-----	-----	-----
(ix) -----	-----	-----	-----	-----	-----	-----	-----
(x) -----	-----	-----	-----	-----	-----	-----	-----
(xi) -----	-----	-----	-----	-----	-----	-----	-----
(xii) -----	-----	-----	-----	-----	-----	-----	-----
(xiii) -----	-----	-----	-----	-----	-----	-----	-----
(xiv) -----	-----	-----	-----	-----	-----	-----	-----
(xv) -----	-----	-----	-----	-----	-----	-----	-----
(xvi) -----	-----	-----	-----	-----	-----	-----	-----
(xvii) -----	-----	-----	-----	-----	-----	-----	-----
(xviii) -----	-----	-----	-----	-----	-----	-----	-----
(xix) -----	-----	-----	-----	-----	-----	-----	-----
(xx) -----	-----	-----	-----	-----	-----	-----	-----
(xxi) -----	-----	-----	-----	-----	-----	-----	-----
(xxii) -----	-----	-----	-----	-----	-----	-----	-----
(xxiii) -----	-----	-----	-----	-----	-----	-----	-----
(xxiv) -----	-----	-----	-----	-----	-----	-----	-----
(xxv) -----	-----	-----	-----	-----	-----	-----	-----
(xxvi) -----	-----	-----	-----	-----	-----	-----	-----
(xxvii) -----	-----	-----	-----	-----	-----	-----	-----
(xxviii) -----	-----	-----	-----	-----	-----	-----	-----
(xxix) -----	-----	-----	-----	-----	-----	-----	-----
(xxx) -----	-----	-----	-----	-----	-----	-----	-----

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.

SUPPLEMENTAL INFORMATION

SCHEDULE J, PART I, LINE 4B

NONQUALIFIED RETIREMENT PLAN PARTICIPATION WAS PAID TO

DAVID BUTLER 10,050

Name of the organization

Employer identification number

HMH PHYSICIANS ORGANIZATION

76-0500960

EXTENSION OF TIME

FORM 8868, ADDITIONAL 3-MONTH EXTENSION OF TIME, SECOND EXTENSION, FOR

HMH PHYSICIANS ORGANIZATION (EIN: 76-0500960) WAS FILED VIA CERTIFIED

MAIL WITH THE INTERNAL REVENUE SERVICE FEBRUARY 9, 2010. IT WAS

POSTMARKED BY THE US POSTAL SERVICE FOR THE MAILING DATE OF FEBRUARY 9,

2010, BUT WAS REJECTED DUE TO THE DATE ON METER BEING ILLEGIBLE.

THE EXTENSION WAS RESUBMITTED TO THE IRS AS SOON AS IT WAS RECEIVED

REQUESTING CONSIDERATION AS TIMELY FILED.

SCHEDULE O

SUPPLEMENTAL INFORMATION

DESCRIPTION OF SIGNIFICANT CHANGES TO ORGANIZING OR ENABLING DOCUMENT

FORM 990, PART VI, QUESTION 4

HMH PHYSICIANS ORAGANIZATION' S BYLAWS WERE AMENDED AND RESTATED ON AUGUST

08, 2008. HMH PHYSICIANS ORGANIZATION, PREVIOUSLY A FOR-PROFIT

CORPORATION, SOUGHT AND OBTAINED ITS FEDERAL TAX EXEMPTION EFFECTIVE

NOVEMBER 25, 2008.

Name of the organization HMH PHYSICIANS ORGANIZATION	Employer identification number 76-0500960
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DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, QUESTION 6

WALKER COUNTY HOSPITAL CORPORATION DBA HUNTSVILLE MEMORIAL HOSPITAL IS THE SOLE MEMBER OF HMH PHYSICIANS ORGANIZATION.

DESCRIPTION OF CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS

PART VI, LINE 7A

WALKER COUNTY HOSPITAL CORPORATION DBA HUNTSVILLE MEMORIAL HOSPITAL AS THE SOLE MEMBER MAY APPROVE OR REMOVE AT ANY TIME ANY TRUSTEE FROM THE BOARD OF TRUSTEES.

DESCR CLASSES OF PERSONS, DECISIONS REQUIRING APPR & TYPE OF VOTING

RIGHTS

PART VI, LINE 7B

WALKER COUNTY HOSPITAL CORPORATION DBA HUNTSVILLE MEMORIAL HOSPITAL AS THE SOLE MEMBER HAS THE POWER TO ALTER, AMEND OR REPEAL THE ARTICLES OF INCORPORATION, AND BYLAWS. THE FOLLOWING MATTERS SHALL REQUIRE THE APPROVAL OF THE MEMBER FOLLOWING CONSULTATION WITH THE BOARD OF TRUSTEES:

-ANNUAL OPERATING AND CAPITAL BUDGETS;

-MATERIAL (\$500) DEVIATIONS FROM ANNUAL OPERATIONS AND CAPITAL BUDGETS;

-THE PURCHASE OF ACQUISITION OF ANY PROPERTY, REAL, PERSONAL, OR MIXED, BY THE CORPORATION EXCEEDING \$500;

-THE SALE, GIFT OR OTHER DISPOSITION OF ANY PROPERTY, REAL, PERSONAL, OR MIXED, BY THE CORPORATION EXCEEDING \$500;

-THE MORTGAGE OR OTHER ENCUMBRANCE OF ANY PROPERTY, REAL, PERSONAL, OR MIXED, BY THE CORPORATION EXCEEDING \$500;

Name of the organization

Employer identification number

HMH PHYSICIANS ORGANIZATION

76-0500960

-THE MERGER, ACQUISITION, LIQUIDATION, DISSOLUTION OR CONSOLIDATION OF THE
CORPORATION;

-THE CREATION OF OR INVESTMENT IN ANY SUBSIDIARY ENTITY;

-THE SETTLEMENT OF CLAIMS OR LITIGATION; AND

-THE APPROVAL AND ADOPTION OF THE SALARIES, COMPENSATION AND OTHER
BENEFITS TO BE PAID TO PHYSICIANS EMPLOYED BY THE CORPORATION.

Name of the organization

Employer identification number

HMH PHYSICIANS ORGANIZATION

76-0500960

DESCRIBE THE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990
 FORM 990, PART VI, QUESTION 10

THE DETAILED REVIEW OF THE FORM 990 IS CONDUCTED BY THE ORGANIZATION
 FOLLOWING THE PREPARATION AND REVIEW OF THE RETURN BY THE ORGANIZATION'S
 PAID PREPARER. AN ELECTRONIC COPY OF THE FINAL FORM 990 IS EMAILED TO
 EACH BOARD MEMBER PRIOR TO FILING WITH THE IRS.

Name of the organization HMH PHYSICIANS ORGANIZATION	Employer identification number 76-0500960
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DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST
 FORM 990, PART VI, QUESTION 12C

THE ORGANIZATION FOLLOWS THE CONFLICT OF INTEREST DISCLOSURE PROCESS OF
 ITS PARENT, WALKER COUNTY HOSPITAL CORPORATION D/B/A HUNTSVILLE MEMORIAL
 HOSPITAL WHICH IS ADMINISTERED BY VHA SOUTHWEST COMMUNITY HEALTH
 CORPORATION (CHC), WHICH REQUIRES ALL OFFICERS, DIRECTORS, KEY EMPLOYEES,
 HIGHLY COMPENSATED EMPLOYEES AND OTHER MANAGEMENT OFFICIALS ("COVERED
 PERSONS") TO DISCLOSE POTENTIAL CONFLICTS. PURSUANT TO THE POLICY, A
 DISCLOSURE STATEMENT IS CIRCULATED ANNUALLY TO COVERED PERSONS IN WHICH
 THE INDIVIDUAL MUST DISCLOSE TRANSACTIONS THAT MAY RESULT IN A CONFLICT.
 COVERED PERSONS ARE ALSO ENCOURAGED TO NOTIFY THE BOARD, APPROPRIATE
 MANAGEMENT PERSONNEL, CHIEF COMPLIANCE OFFICE, GENERAL COUNSEL, OR THE
 AUDIT AND COMPLIANCE COMMITTEE OF THE GOVERNING BODY AS NECESSARY.

WHEN NECESSARY, THE BOARD CHAIR OR APPROPRIATE BOARD COMMITTEE MAY
 APPOINT A DISINTERESTED PERSON(S) OR COMMITTEE TO INVESTIGATE THE
 POTENTIAL CONFLICT OF INTEREST AND RECOMMEND ALTERNATIVES TO THE
 APPLICABLE TRANSACTION OR ARRANGEMENT OR OTHERWISE DETERMINE IF THE
 CONFLICT CAN BE RESOLVED. IF A MORE ADVANTAGEOUS TRANSACTION OR
 ARRANGEMENT IS NOT REASONABLY POSSIBLY UNDER THE CIRCUMSTANCES NOT
 PRODUCING A CONFLICT OF INTEREST, THE GOVERNING BOARD OR COMMITTEE SHALL
 DETERMINE BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS WHETHER THE
 TRANSACTION OR ARRANGEMENT IS IN THE BEST INTEREST OF THE ORGANIZATION,
 AND WHETHER IT IS REASONABLE. THE GOVERNING BOARD OR COMMITTEE MAKES THE
 DECISION AS TO WHETHER TO ENTER INTO THE TRANSACTION OR ARRANGEMENT. ANY
 MEMBER OF THE BOARD OPERATING UNDER A CONFLICT IS NOT PERMITTED TO BE
 PRESENT OR OTHERWISE PARTICIPATE IN THE VOTE ON ANY MATTER TO WHICH THE

Name of the organization HMH PHYSICIANS ORGANIZATION	Employer identification number 76-0500960
---	--

CONFLICT RELATES.

IF THE GOVERNING BOARD OR COMMITTEE OF THE ORGANIZATION HAS REASONABLE CAUSE TO BELIEVE THAT A COVERED PERSON HAS FAILED TO DISCLOSE AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST AND AFTER INVESTIGATION THE BOARD OR COMMITTEE DETERMINES THAT THE COVERED PERSON FAILED TO DISCLOSE A CONFLICT OF INTEREST, THE ORGANIZATION TAKES APPROPRIATE DISCIPLINARY OR CORRECTIVE ACTION, WHICH MAY INCLUDE, TERMINATION OF THE INDIVIDUAL'S MEMBERSHIP, EMPLOYMENT, OR CONTRACT.

OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN
FORM 990, PART VI, QUESTION 15A AND B

THE ORGANIZATION FOLLOWS THE COMPENSATION POLICY OF WALKER COUNTY HOSPITAL CORPORATION D/B/A HUNTSVILLE MEMORIAL HOSPITAL, ITS SOLE MEMBER, WHICH IN TURN FOLLOWS THE COMPENSATION POLICY OF VHA SOUTHWEST COMMUNITY HEALTH CORPORATION (CHC). CHC ENGAGED WATSON WYATT WORLDWIDE (NOW DOING BUSINESS AS TOWERS WATSON) TO CONDUCT A COMPETITIVE MARKET ANALYSIS OF THE COMPENSATION OF CHC'S TOP MANAGEMENT OFFICIALS, OFFICERS, DIRECTORS AND KEY EMPLOYEES. WATSON WYATT GATHERED DATA RELATED TO ON JOB DESCRIPTIONS, SCOPE OF RESPONSIBILITY, AND CURRENT INCUMBENTS' COMPENSATION. WATSON WYATT RECOMMENDED APPROPRIATE COMPARISON DATA AND UTILIZED SURVEY DATA FROM FOUR MAJOR EXECUTIVE COMPENSATION SURVEY PROVIDERS TO PROVIDE MARKET DATA AND EXECUTIVE COMPENSATION RECOMMENDATIONS THAT MEET CHC'S COMPENSATION PHILOSOPHY. WATSON WYATT'S RECOMMENDATIONS WERE PRESENTED TO THE CHC COMPENSATION COMMITTEE OF THE BOARD FOR REVIEW AND APPROVAL. CHC ALSO CONDUCTS PERIODIC REVIEWS OF COMPENSATION TO DETERMINE WHETHER COMPENSATION ARRANGEMENTS AND BENEFITS

Name of the organization

Employer identification number

HMH PHYSICIANS ORGANIZATION

76-0500960

ARE REASONABLE, BASED ON COMPETENT SURVEY INFORMATION, AND THE RESULT OF
 ARM'S LENGTH BARGAINING. DURING THE FISCAL YEAR ENDED 6 30 09, THE
 ORGANIZATION DID NOT COMPENSATE ANY EMPLOYEES. THEREFORE, THE
 ORGANIZATION WAS NOT REQUIRED TO APPLY THIS PROCESS TO ITS OFFICERS,
 DIRECTORS, KEY EMPLOYEES OR OTHER MANAGEMENT OFFICIALS.

Name of the organization HMH PHYSICIANS ORGANIZATION	Employer identification number 76-0500960
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AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC
FORM 990, PART VI, QUESTION 19

THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, FINANCIAL STATEMETNS, AND
CONFLICT OF INTEREST POLICY AVAILABLE AT ITS BUSINESS OFFICE UPON
REQUEST.

FINANCIAL STATEMENT
PART XI, LINE 2

THE ORGANIZATION'S FINANCIAL STATEMENTS WERE AUDITED ON A CONSOLIDATED
BASIS.

Part V Transactions With Related Organizations

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

1 During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
b Gift, grant, or capital contribution to other organization(s)
c Gift, grant, or capital contribution from other organization(s)
d Loans or loan guarantees to or for other organization(s)
e Loans or loan guarantees by other organization(s)
f Sale of assets to other organization(s)
g Purchase of assets from other organization(s)
h Exchange of assets
i Lease of facilities, equipment, or other assets to other organization(s)
j Lease of facilities, equipment, or other assets from other organization(s)
k Performance of services or membership or fundraising solicitations for other organization(s)
l Performance of services or membership or fundraising solicitations by other organization(s)
m Sharing of facilities, equipment, mailing lists, or other assets
n Sharing of paid employees
o Reimbursement paid to other organization for expenses
p Reimbursement paid by other organization for expenses
q Other transfer of cash or property to other organization(s)
r Other transfer of cash or property from other organization(s)

Table with columns Yes, No and rows 1a through 1r. Row 1a: Yes, No; 1b: X; 1c: X; 1d: X; 1e: X; 1f: X; 1g: X; 1h: X; 1i: X; 1j: X; 1k: X; 1l: X; 1m: X; 1n: X; 1o: X; 1p: X; 1q: X; 1r: X

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

Table with columns (A) Name of other organization(s), (B) Transaction type (a-r), and (C) Amount involved. Rows (1) through (6) are empty.

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

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HMH PHYSICIANS ORGANIZATION IS ORGANIZED AND SHALL BE OPERATED EXCLUSIVELY TO CARRY OUT ANY AND ALL OF THE FOLLOWING PURPOSES: (A) THE CARRYING OUT OF SCIENTIFIC RESEARCH AND RESEARCH PROJECTS IN THE PUBLIC INTEREST IN THE FIELDS OF MEDICAL SCIENCES, MEDICAL ECONOMICS, PUBLIC HEALTH, SOCIOLOGY AND RELATED FIELDS; (B) THE SUPPORTING OF MEDICAL EDUCATION IN MEDICAL SCHOOLS THROUGH GRANTS AND SCHOLARSHIPS; (C) THE IMPROVING AND DEVELOPING OF THE CAPABILITIES OF INDIVIDUALS AND INSTITUTIONS STUDYING, TEACHING AND PRACTICING MEDICINE; (D) THE DELIVERY OF HEALTH CARE TO THE PUBLIC; (E) THE ENGAGING IN THE INSTRUCTION OF THE GENERAL PUBLIC IN THE AREA OF MEDICAL SCIENCE, PUBLIC HEALTH, AND HYGIENE AND RELATED INSTRUCTION USEFUL TO THE INDIVIDUAL AND BENEFICIAL TO THE COMMUNITY; AND (F) OTHER ACTIVITIES USEFUL OR APPROPRIATE TO THE ACCOMPLISHMENT OF THE FOREGOING PURPOSES.