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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 10-01-2008 and ending 09-30-2009

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
ASHLAND HOSPITAL CORPORATION

Doing Business As
KING'S DAUGHTERS' MEDICAL CENTER

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2201 LEXINGTON AVENUE

City or town, state or country, and ZIP + 4
ASHLAND, KY 41101

D Employer identification number
61-0444716

E Telephone number
(606) 408-4000

G Gross receipts $ 521,877,055

F Name and address of Principal Officer
FRED JACKSON
2201 LEXINGTON AVENUE
ASHLAND,KY 41101

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 KDMC COM

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

L Year of Formation 1941

M State of legal domicile KY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO PROVIDE COMMUNITY HEALTHCARE SERVICES TO CARE TO SERVE TO HEAL

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	2,771
6	Total number of volunteers (estimate if necessary)	6	373
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	215,101
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)	576,976	411,526
9	Program service revenue (Part VIII, line 2g)	463,421,659	517,174,304
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,453,369	733,633
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,015,252	2,853,014
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	470,467,256	521,172,477
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	816,445	307,216
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)	188,998,102	210,909,865
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	(Total fundraising expenses, Part IX, column (D), line 25 0)		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	251,196,097	279,240,799
18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	441,010,644	490,457,880
19	Revenue less expenses Subtract line 18 from line 12	29,456,612	30,714,597

		Beginning of Year	End of Year
20	Total assets (Part X, line 16)	623,049,864	657,523,873
21	Total liabilities (Part X, line 26)	294,364,862	306,692,555
22	Net assets or fund balances Subtract line 21 from line 20	328,685,002	350,831,318

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

****** | 2010-08-15
Signature of officer | Date

PAUL MCDOWELL CFO/VP OF FINANCE
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ CARA BENNINGFIELD	Date	Check if self-empolyed ▶ ☐	Preparer's PTIN (See Gen Inst)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ BKD LLP 400 E MAIN ST STE 200 PO BOX 1196 BOWLING GREEN, KY 421021196			EIN ▶ Phone no ▶ (270) 781-0111

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

TO PROVIDE COMMUNITY HEALTHCARE SERVICES TO CARE TO SERVE TO HEAL

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 $ 426,435,453 including grants of $ 307,216) (Revenue $ 517,060,915)

SEE SCHEDULE O

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 $ 426,435,453 *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		No
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		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No

Part IV Checklist of Required Schedules *(Continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	**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	418		
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	2,771		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? **Note:** *If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.*	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and filing requirements for **Form TD F 90-22.1,** *Report of Foreign Bank and Financial Accounts.*				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, *Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?*	5c			
6a	Did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	*Organizations that may receive deductible contributions under section 170(c).*				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of $75 or more?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			
8	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.*				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	*Section 501(c)(7) organizations.* Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	Section 501(c)(12) organizations Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	*Section 4947(a)(1) non-exempt charitable trusts.* Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

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

Section A. Governing Body and Management

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

Section B. Policies

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

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

☐ own website ☐ another's website ☑ upon request

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

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

AUTUMN MCFANN
2201 LEXINGTON AVENUE
ASHLAND, KY 41101
(606) 408-4678

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 ▶								7,745,908	24,000	1,310,335

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 117

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed online 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
ASHLAND ANESTHESIOLOGY ASSOCIATES	ANESTHESIOLOGISTS	2,102,871
W B FOSSON AND SONS INC	CONSTRUCTION	7,363,682
MAY CONTRACTING INC	CONSTRUCTION	1,496,811
MAYO COLLABORATIVE SERVICES	REFERENCE LAB	3,006,097
TRI STATE RADIOLOGY PSC	RADIOLOGISTS	3,641,333

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 84

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				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f 411,526				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total (Add lines 1a-1f)**	411,526			
Program Service Revenue		Business Code				
	2a	NET PATIENT SERVICE REVENUE 621,110	511,819,372	511,819,372		
	b	PHYSICIAN OFFICE RENTAL 531,120	1,661,793	1,661,793		
	c	DME SALES 446,199	86,636		86,636	
	d	PHARMACY 446,110	3,491,173	3,418,890	72,283	
	e	REFERENCE LAB 621,500	58,120		58,120	
	f	All other program service revenue	57,210	57,210		
	g	**Total. Add lines 2a-2f** ▶ $ 517,174,304				
	3	Investment income (including dividends, interest other similar amounts)	813,313			813,313
	4	Income from investment of tax-exempt bond proceeds	0			
	5	Royalties	0			
		(i) Real / (ii) Personal				
	6a	Gross Rents 420,154				
	b	Less rental expenses 624,898				
	c	Rental income or (loss) -204,744				
	d	Net rental income or (loss)	-204,744			
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory 6,635				
	b	Less cost or other basis and sales expenses 79,680				
	c	Gain or (loss) -73,045				
	d	Net gain or (loss)	-79,680			-79,680
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 *Attach Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b				
	c	Net income or (loss) from fundraising events	0			
	9a	Gross income from gaming activities See part IV, line 19 *Complete Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities	0			
	10a	Gross sales of inventory, less returns and allowances a				
	b	Less cost of goods sold b				
	c	Net income or (loss) from sales of inventory	0			
		Miscellaneous Revenue / Business Code				
	11a	CAFETERIA SALES 722,210	2,596,086		4,409	2,591,677
	b	MEDICAL RECORDS 900,099	73,650	73,650		
	c	PREMIER PURCHASING PARTNERS 541,900	-6,347		-6,347	
	d	All other revenue _____	394,369	30,000		364,369
	e	**Total. Add lines 11a-11d** $ 3,057,758				
Other Revenue	12	**Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e	521,172,477	517,060,915	215,101	3,689,679

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	307,216	307,216		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	5,025,639		5,025,639	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	158,789,408	144,729,296		
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	6,827,451	6,223,222	604,229	
9	Other employee benefits	28,604,758	26,073,237	2,531,521	
10	Payroll taxes	11,662,609	10,377,390	1,285,219	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	3,055,492		3,055,492	
c	Accounting	105,000		105,000	
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17*	0			
f	Investment management fees	259,053		259,053	
g	Other	39,114,374	35,776,022	3,338,352	
12	Advertising and promotion	3,247,107	716	3,246,391	
13	Office expenses	104,891,645	100,401,983	4,489,662	
14	Information technology	1,405,571	1,405,571		
15	Royalties	0			
16	Occupancy	6,301,092	1,267,440	5,033,652	
17	Travel	473,192	367,870	105,322	
18	Payments of travel or entertainment expenses for any Federal, state or local public officials	0			
19	Conferences, conventions and meetings	236,721	234,736	1,985	
20	Interest	8,925,684		8,925,684	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	31,863,117	28,036,029	3,827,088	
23	Insurance	5,290,890	247,315	5,043,575	
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	REPAIRS & MAINTENANCE	12,365,617	10,909,413	1,456,204	
b	PROVISION FOR BAD DEBTS	47,206,773	47,206,773		
c	TAXES	7,676,299	7,625,143	51,156	
d	MISCELLANEOUS	7,323,172	5,746,081	1,577,091	0
e	GRANT REFUND	-500,000	-500,000		
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	490,457,880	426,435,453	64,022,427	0
26	**Joint Costs.** Check ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		6,700	1	9,400
	2	Savings and temporary cash investments		70,236,807	2	79,959,074
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		67,326,913	4	71,823,954
	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		3,027,308	7	2,662,682
	8	Inventories for sale or use		8,703,379	8	11,239,813
	9	Prepaid expenses and deferred charges		6,236,160	9	6,435,661
	10a	Land, buildings, and equipment cost basis	10a 558,876,781			
	b	Less accumulated depreciation *Complete Part VI of Schedule D*	10b 264,449,107	294,176,263	10c	294,427,674
	11	Investments—publicly traded securities		133,696,497	11	144,361,764
	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*			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11 *Complete Part IX of Schedule D*		39,639,837	15	46,603,851
	16	**Total assets.** *Add lines 1 through 15 (must equal line 34)*		623,049,864	16	657,523,873
Liabilities	17	Accounts payable and accrued expenses		57,417,643	17	54,009,844
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		189,380,504	20	186,490,301
	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		6,334,545	23	4,205,667
	24	Unsecured notes and loans payable		15,000,000	24	15,000,000
	25	Other liabilities *Complete Part X of Schedule D*		26,232,170	25	46,986,743
	26	**Total liabilities.** *Add lines 17 through 25*		294,364,862	26	306,692,555
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		328,685,002	27	350,831,318
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		328,685,002	33	350,831,318
	34	Total liabilities and net assets/fund balances		623,049,864	34	657,523,873

Part XI Financial Statements and Reporting

				Yes	No
1	Accounting method used to prepare the Form 990	☐ cash ☑ accrual ☐ other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a		No
b	Were the organization's financial statements audited by an independent accountant?		2b		No
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?		2c		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		3a		No
b	If "Yes," did the organization undergo the required audit or audits?		3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ASHLAND HOSPITAL CORPORATION

Employer identification number
61-0444716

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

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

1 ☐ A church, convention of churches, or association of churches described in **Section 170(b)(1)(A)(i).**

2 ☐ A school described in **Section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **Section 170(b)(1)(A)(iii).** (Attach Schedule H)

4 ☐ A medical research organization operated in conjunction with a hospital described in **Section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **Section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **Section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **Section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **Section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 331/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **Section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **Section 509(a)(4).** (See instructions)

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

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

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

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

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

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

h Provide the following information about the organizations the organization supports

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

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

Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 **Public Support** subtract line 5 from line 4						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total Support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶

Computation of Public Support Percentage

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

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

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

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total** Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Total of lines 7a and 7b						
8 **Public Support** (Substract line 7c from line 6)						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total Support** (Add lines 9, 10c, 11 and 12)						

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

Computation of Public Support Percentage

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

Computation of Investment Income Percentage

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

19a **33 1/3% Tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

b **33 1/3% Tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ☐

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

Facts and Circumstances Test

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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
ASHLAND HOSPITAL CORPORATION	61-0444716

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

1	Provide a description of the organization's direct and indirect political campaign activities in Part IV	
2	Political expenditures	$
3	Volunteer hours	

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	$
3	If the organization incurred in a section 4955 tax, did it file Form 4720 for this year?	☐ Yes ☐ No
4a	Was a correction made?	☐ Yes ☐ No
b	If "Yes," describe in Part IV	

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

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

5 State the names, addresses and Employer Identification Number (EIN) of all section 527 political organizations to which payments were made Enter the amount paid and indicate if the amount was paid from the filing organization's own internal funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's internal funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

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

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

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

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

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

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☑ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 1a through 1f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines c through i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		No	
i	Other activities If "Yes," describe in Part IV	Yes		24,563
j	Total lines 1c through 1i			24,563
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes" enter the amount of any tax incurred under section 4912			
c	If "Yes" enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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

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

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

1	Dues, assessments and similar amounts from members	1 $
2	Section 162(e) non-deductible lobbying and political expenditures ***(do not include amounts of political expenses for which the section 527(f) tax was paid).***	
a	Current Year	2a $
b	Carryover from last year	2b $
c	Total	2c $
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3 $
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4 $
5	Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5 $

Part IV **Supplemental Information**

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

Identifier	Return Reference	Explanation
LOBBYING EXPENSES	SCH C, PART II-B, LINE 1I	A PORTION OF DUES PAID TO THE KENTUCKY HOSPITAL ASSOCIATION IS ATTRIBUTABLE TO LOBBYING ACTIVITIES

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
ASHLAND HOSPITAL CORPORATION

Employer identification number
61-0444716

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		25,869,411		25,869,411
b Buildings		316,619,151	126,765,636	189,853,515
c Leasehold improvements				
d Equipment		198,156,307	133,658,323	64,497,984
e Other		18,231,912	4,025,148	14,206,764
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				294,427,674

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
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

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

(a) Description	(b) Book value
DEFERRED FINANCE CHARGES	2,209,166
ASSET LTD-SELF TRUST AGRMT	6,364,008
ASSET LTD-BOND INDNTR AGRMT	4,216,225
OTHER ASSETS	654,508
GOODWILL	158,450
INVESTMENT IN AFFILIATES	11,537,842
INVESTMENT IN PREMIER INC	75,000
INVESTMENT IN PURCHASING PTNR	289,208
DUE FROM THIRD PARTY PAYORS	4,890,871
DUE FROM RELATED PARTIES	16,208,573
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	46,603,851

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	
ESTIMATED THIRD PARTY PAYABLE	6,444,520
ESTIMATED MALPRACTICE COSTS	8,280,123
RETENTION PLAN	3,108,400
INTEREST RATE SWAP AGREEMENTS	11,535,700
ACCRUED PENSION OBLIGATION	17,618,000
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	46,986,743

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
UNCERTAIN TAX POSITIONS	SCH D, PART X	FASB ACCOUNTING STANDARDS CODIFICATION TOPIC 740 CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN AN ENTITY'S FINANCIAL STATEMENTS AND PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN, OR EXPECTED TO BE TAKEN THE MEDICAL CENTER ADOPTED TOPIC 740 ON OCTOBER 1, 2008 THE ADOPTION OF TOPIC 740 DID NOT RESULT IN AN ADJUSTMENT TO THE CONSOLIDATED FINANCIAL STATEMENTS

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ASHLAND HOSPITAL CORPORATION

Employer identification number
61-0444716

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 Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a 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 Government 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, and 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 Medicare (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)
ASHLAND HOSPITAL CORPORATION 2201 LEXINGTON AVENUE ASHLAND,KY 41101	X						X		

Part VI Supplemental Information *(Optional for 2008)*

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

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

3 **Patient Education of Eligibility for Assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

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

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

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communites served

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

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ASHLAND HOSPITAL CORPORATION

Employer identification number
61-0444716

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
UNITED WAY OF NORTHEAST KENTUCKY 1236 WINCHESTER AVENUE ASHLAND,KY 41101	61-6000060	501(C)(3)	72,817				PROGRAM SUPPORT
CARESPO BOX 1503 ASHLAND,KY 41105	61-1255918	501(C)(3)	10,000				PRESCRIPTION MEDs
NEIGHBORS HELPING NEIGHBORSPO BOX 1703 ASHLAND,KY 41105	61-1450110	501(C)(3)	5,900				PROGRAM SUPPORT
PARAMOUNT ARTS CENTERPO BOX 1546 ASHLAND,KY 41105	61-1181883	501(C)(3)	16,000				SPONSORSHIPS
SAFE HARBOR DOMESTIC VIOLENCE SHELTERPO BOX 2163 ASHLAND,KY 41105	61-1155742	501(C)(3)	8,500				PROGRAM SUPPORT

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 7

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
MONITORING THE USE OF GRANT FUNDS	SCH I, PART I, LINE 2	REQUESTS FOR GRANTS MUST BE SUBMITTED IN WRITING TO THE COMMUNITY SERVICES DEPT AT KDMC THIS REQUEST MUST BE SPECIFIC AS TO THE USE OF THE GRANT BY THE REQUESTING ORGANIZATION ONCE THE GRANT CHECK IS ISSUED, A REPRESENTATIVE FROM THE GRANTEE ORGANIZATION MUST SIGN FOR THE CHECK & SUBMIT A REPORT ON THE USE OF THE FUNDS AS WELL AS THE NUMBER OF PEOPLE SERVED BY THE GRANT BEING A SMALL COMMUNITY, KDMC USUALLY KNOWS SOMEONE WITH CLOSE ASSOCIATION TO THE ORGANIZATION OR WHO REPRESENTS THE MED CTR ON THEIR BOARD SO THAT USE OF THE GRANT CAN BE INDIRECTLY MONITORED

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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
ASHLAND HOSPITAL CORPORATION

Employer identification number
61-0444716

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**		No
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
TAX INDEMNIFICATION AND GROSS UP PAYMENTS	SCH J, PART I, LINE 1A	CERTAIN BONUSES ARE GROSSED UP FOR TAXES

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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
ASHLAND HOSPITAL CORPORATION

Employer identification number
61-0444716

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	KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY	61-0600439	491269CC8	07-31-2003	9,455,000	REFUNDING OF SERIES 1993A BONDS		X		X
B	KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY	61-0600439	491269CG9	09-24-2008	50,000,000	REFUND SERIES 2004 & 2006 BONDS/RE		X		X
C	KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY	61-0600439	491269CH7	09-24-2008	50,000,000	REFUND SERIES 2004 & 2006 BONDS/RE		X		X
D	KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY	61-0600439	491269CQ7	09-24-2008	46,580,000	REFUND SERIES 1993B, 2001 & 2003B		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

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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
Total . . . . . ▶ $										

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
ASHLAND OFFICE SUPPLY	TOM BURNETTE OWNS ORG	2,627,651	PURCHASE SUPPLIES/FURN/EQUIP		No
NATIONAL CITY BANK	K BLANTON IS ON BANKS BOD	751,095	CREDIT CRD PURCH/MGT FEE		No
FRESENIUS MEDICAL CARE	D HAMMONDS IS DIRECTOR	1,253,990	INPATIENT DIALYSIS TREATMENT		No
SVE LLC	JOHN STEWART OWNS ORG	119,845	OFFICE SPACE RENT		No
KY COMMUNITY TECH COLLEGE SYSTEM	STEWART-CHRMN OF ORGS BOD	105,856	NURSING SCHOOL TUITION		No
SUSAN K SCHNEIDER	SISTER OF TRACY HILLMAN	30,867	COMPENSATION		No
See Additional Data Table					

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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

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Identifier	Return Reference	Explanation
PROCESS TO REVIEW FORM 990	FORM 990, PART VI, SECTION A, LINE 10	THE FORM 990 IS REVIEWED BY THE AUDIT SUBCOMMITTEE OF THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
MONITORING THE CONFLICT OF INTEREST POLICY	FORM 990, PART VI, SECTION B, LINE 12B AND 12C	King's Daughters Medical Center requires all directors and officers to comply with its Conflicts of Interest Policy, which tracks the IRS's recommended policy with respect to such officers and directors Members of the Medical Center's Board of Directors must annually identify, in writing, any interest that could give rise to a conflict, such as a leadership position in a conflicting organization, disclosure is not limited to financial conflicts Leadership employees must annually certify, in writing, that no conflicts of interest exist In addition, employees of the Medical Center must certify that no conflicts of interest exist or obtain an advance waiver of any conflicts The Medical Center's General Counsel obtains all relevant disclosures and signatures If a conflict of interest is reported, the Vice President or Senior Vice President to whom the reporting employee directly or indirectly reports, together with the CEO, determines if a conflict exists If the reporting employee is a Senior Vice President, the CEO, in consultation with the General Counsel, determines if a conflict exists A member of the Medical Center's Board of Directors reports any conflict or potential conflict to the Chairman of the Board, the CEO and/or the General Counsel of the Medical Center, as appropriate If it is determined that a conflict exists, the employee or Board member is removed from any part of the decision-making process, and has no role in the instance in which the conflict exists A Board member who reports a potential or actual conflict of interest must abstain from any relevant discussion or vote If a conflict of interest is discovered after the fact, the CEO and Vice President or Senior Vice President, together with the General Counsel, if appropriate, reviews the instance in which the conflict occurred Those leaders ensure that the conflicted individual did not influence decision-making or profit from the conflict The conflicted individual is removed from any further involvement In addition, any failure to report conflicts of interest violates the Medical Center's policy and could result in disciplinary action, up to and including termination of employment or removal from the Medical Center's Board of Directors

Identifier	Return Reference	Explanation
PROCESS FOR DETERMINING COMPENSATION	FORM 990, PART VI, SECTION B, LINE 15A AND 15B	AT THE DIRECTION OF THE PERSONNEL & COMPENSATION COMMITTEE OF THE BOARD, KDMC ENGAGES HEWITT ASSOCIATES, A LEADING, INDEPENDENT GLOBAL COMPENSATION CONSULTING COMPANY TO ASSIST IN DETERMINING COMPENSATION OF THE CEO, SENIOR VICE PRESIDENTS AND VICE PRESIDENTS HEWITT'S MOST RECENT EXECUTIVE COMPENSATION REVIEW IS DATED SEPTEMBER 2009 THE PRINCIPLE OBJECTIVE OF THIS STUDY WAS TO ASSEMBLE A DETAILED PROFILE OF THE CURRENT COMPENSATION LEVELS AVAILABLE TO EXECUTIVES MANAGING SIMILAR TASKS AND RESPONSIBILITIES AS MEMBERS OF THE KDMC EXECUTIVE TEAM, AS HEWITT SELECTED OTHER "KEY" EXECUTIVE MANAGEMENT ROLES MOREOVER, THE OBJECTIVE WAS TO COMPILE MARKET DATA FOR EACH POSITION THAT WAS REFLECTIVE OF THE PAY LEVELS OFFERED BY INDEPENDENT, NOT-FOR-PROFIT HEALTH CARE ORGANIZATIONS OF COMPARABLE SIZE (I E , $540 MILLION IN ANNUAL REVENUE) WITH AN EMPHASIS ON THE SOUTHEAST REGION OF THE UNITED STATES THE HEWITT DATA COUPLED WITH THE PERFORMANCE OF THE ORGANIZATION AS WELL AS THE PERSONAL PERFORMANCE OF EACH EXECUTIVE IS THE BASIS FOR KDMC'S PERSONELL & COMPENSATION COMMITTEE'S REVIEW AND RECOMMENDATIONS, AND THE BOARD'S REVIEW AND APPROVAL OF ANNUAL COMPENSATION INCREASES THE PROCESS INCLUDES A REVIEW AND APPROVAL BY INDEPENDENT PERSONS, COMPARABILITY DATA AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION

Identifier	Return Reference	Explanation
MAKING FORMS AVAILABLE TO THE PUBLIC	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS AND AUDIT REPORT CAN BE ACCESSED AT HTTP //EMMA MSRB ORG

Identifier	Return Reference	Explanation
CONSOLIDATED FINANCIAL STATEMENTS	FORM 990, PART XI, LINES 2A - 2C AND PART IV, LINE 12	THE ORGANIZATION'S FINANCIAL STATEMENTS WERE AUDITED ON A CONSOLIDATED BASIS THE ORGANIZATION DOES HAVE AN AUDIT COMMITTEE THAT ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF ITS CONSOLIDATED FINANCIAL STATEMENTS AND SELECTION OF AN INDEPENDENT ACCOUNTANT THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS ARE PREPARED IN ACCORDANCE WITH GAAP

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4	King's Daughters Medical Center is a 465-bed acute care hospital founded in 1899 by the What-So-Ever-Circle of the King's Daughters and Sons Order We meet the community's health care needs through our more than 380-person medical staff representing specialties in over 40 areas In addition, our 4,300 highly qualified team members work tirelessly to ensure that we meet the needs of our community with the right care in the right place at the right time Our Mission To Care To Serve To Heal Our Vision World Class Care in Our Community We achieve our mission and vision through focusing on our key priorities Customer, Quality, Community, Finance and Culture We offer a broad range of community-based services, including comprehensive cardiac, medical, surgical, maternity, bariatric, pediatric, rehabilitative, psychiatric, cancer, neurological, pain care, wound care and home care services The People We Serve King's Daughters serves a broad community, which covers counties in Kentucky, Ohio and West Virginia The medical center is nestled in the foothills of the Appalachian Mountains, where the Kentucky, Ohio and West Virginia state lines meet More than 255,000 people (U S Census Bureau), live in the five county (Boyd, Carter and Greenup counties in Kentucky and Lawrence and Scioto counties in Ohio) primary service area With the exception of two cities with populations around 20,000, the area is very rural, covering more than 2,000 square miles with a population density of 117 people per square mile More than 18% of the population lives in poverty, with children in poverty at more than 25 7% The population is 97% white, 2% blacks and all other races 1% Meeting the diverse needs of our community is made increasingly challenging due to the following conditions Average unemployment is 11 5% compared to 9 7% nationally, 10 1% for Ohio and 10 9% for Kentucky The average median income is $33,835, well below the levels for Kentucky, Ohio and the nation The Kentucky Behavioral Risk Factor Surveillance System shows that in 2002, in KDMC's Kentucky primary service area, 24% of those age 19-64 years lacked any form of healthcare coverage, compared to 18 2% for the state and 14 1% for the nation KDMC's Ohio service area shows 15 8% without healthcare coverage compared to 11 4% in the state and 14 1% in the nation Many of the rural areas served do not have public transportation and individuals living in these areas often do not have transportation to doctor or outpatient services visits KDMC is also reaching out to new audiences by offering screenings and programs to neighboring counties In 2009, KDMC held events in Elliott, Greenup, Johnson, Lawrence, Lewis, Magoffin, Martin, Morgan, Pike, Rowan, and Wolfe counties in Kentucky, and Jackson and Pike counties in Ohio Heart disease Lung disease Tobacco use Inactivity Poor diet If it is bad in the state or the nation, you can expect it to be worse in Kentucky's and Ohio's Appalachian counties and therefore in our service region In the primary service region, thirty-one percent (31%) of the population describes their general health as fair to poor The following behaviors put our population at greater risk for premature death no leisure time activity - 37 1%, ever smoked cigarettes - 56 6%, currently smoke cigarettes - 38 3%, obesity - 26 6%, fewer than five fruits and vegetables a day - 84 1% -- all above state and national statistics These factors contribute to higher than national death rates in the service area for the following diseases Death rates for service area Disease Kentucky counties Ohio counties Nation Heart disease 235 9 287 5 211 0 All cancers 228 5 201 9 187 0 Source Kentucky Vital Statistics 2006, Ohio Department of Public Health, National Vital Statistics Report 2006 Under its mission, King's Daughters Medical Center has adopted "community" as one of its five key organizational priorities that the medical center focuses on as part of our daily and strategic initiatives The Community key priority states that - We will continuously improve the health and well being of the communities we serve through educational initiatives, employee participation in community activities, and collaborative relationships KDMC's leadership and employees adopt an annual, measurable goal for each priority In 2009, the community goal read as follows Promote wellness through community health screenings, prevention and educational programs with an emphasis on healthy lifestyle choices by reaching 125,000 adults and 75,000 children in KDMC's market area This will be accomplished by the participation of no less than 2236 KDMC team members, physicians, and allied health professionals as volunteers The KDMC team exceeded this goal by reaching more than 217,000 people This was accomplished through administrative commitment, leadership of the Community Services department and the dedicated team members at KDMC In fiscal year 2009, more than 2,400 team members volunteered more than 26,200 hours toward this goal Organizational Commitment to Providing Community Benefit King's Daughters mission is "To Care To Serve To Heal " which provides guidance for our primary purpose of providing quality affordable health care in the communities we serve The hospital is a regional referral center, which accepts patients from other hospitals in the region Referrals and transfers come to King's Daughters for cardiac, cancer, orthopedic and other services Our commitment to our communities is ingrained into everything that we are and do Our strategic plan has specific measurable objectives for growth in our community initiatives Our CEO and Board of Directors recognize and fully support providing for the health and well-being of all of the areas we serve The Community Services department, a twelve-member team, has the sole purpose of coordinating the provision of community outreach programming The department is well budgeted to carry out the goals and objectives of the medical center's strategic plan for community The team member pay-for-performance evaluation system rewards team members for volunteerism by allowing them to earn merit points on their evaluation for giving of their personal time to help improve the community's health and well-being

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS (CONT)		To reach our communities and to provide the best community benefit programming possible we partner with a diverse group of both public and private entities Other non-profits that partner with KDMC on this shared mission are American Red Cross, CAReS (local referral agency), Community Kitchen, Safe Harbor, NAACP, Ashland Fair Housing, Highlands Museum, Shelter of Hope, area Senior Centers, AARP, Paramount Arts Center, public libraries and Ashland Area YMCA Government partners include City of Ashland, Ashland-Boyd County Health Department, Little Sandy District Health Department, Portsmouth City Health Department, Lawrence County (Ohio and Kentucky) health departments, Martin County Health Department, 16 school districts, Kentucky State Police, Ohio Highway Patrol, Governor's Office of Highway Safety, and the FIVCO Area Development District We have established partnerships with the private sector through Wal-Mart Stores, K-Mart, Belk's, Stultz Pharmacy, Food Fair stores, J W Village Market, more than 140 churches, Liebert Corporation, Dow Chemical, Marathon Petroleum, local EMS services, Greenup County Farm Bureau, Summer Motion Festival, Poage Landing Days Festival, five (5) new car dealerships, physician volunteers and others Higher education and their nursing schools also are partners, these include Ashland Community and Technical College, Kentucky Christian University and Ohio University Southern Participation in Government sponsored healthcare programs King's Daughters participated in Medicare, Tricare and the Medicaid programs of Kentucky, Ohio and West Virginia Additional Medicaid programs are participated in if the patients present with them Description of Community Benefit Programs Community Health Services Mobile Health units King's Daughters two 40-foot mobile health units accommodate area health departments, employers and schools in rural areas by providing clinical space for screening mammography, osteoporosis screenings, school and workplace physicals, drug tests, pap tests, etc The second mobile health unit, designated for screening mammography, was added in December 2008 This unit utilizes the same digital mammography equipment as the KDMC Imaging Center KDMC continues to partner with Ashland-Boyd County, Greenup County and Little Sandy District health departments providing the Mobile Health Unit and the driver at no charge During spring of 2009, KDMC applied for grant funds through the Susan G Komen Lexington Affiliate to help continue a partnership to provide mammography in Martin, Magoffin and Wolfe counties, a region where these services are not easily available The grant was funded allowing mammograms to be provided to uninsured or underinsured women ages 40-64 for free in the counties of Boyd, Carter, Greenup, Elliott, Lawrence, Martin, Magoffin and Wolfe These counties were chosen based on breast cancer mortality rates and mammography screening rates A second grant was received from the Susan G Komen Columbus (Ohio) Affiliate that provides free mammograms to the target audience in Lawrence, Jackson and Scioto counties, Ohio These partnerships allowed more than 1,400 people to receive health services, including 884 mammograms, 312 occupational health visits and 270 health department visits The cost to operate the mobile unit is absorbed by the medical center and does not result in any increased cost to the patient The primary function of the Mobile Health Units is to improve access to healthcare Hospitality House The HOSPITALITY HOUSE PROVIDES FAMILIES A WARM, INVITING PLACE TO STAY WHILE THEIR LOVED ONES ARE HOSPITALIZED THE 12,000 SQUARE-FOOT RESIDENCE FEATURES 13 GUEST ROOMS WITH PRIVATE BATHS, AS WELL AS A COMMON KITCHEN AND DINING AREA, A LIVING ROOM AND LAUNDRY FACILITIES FAMILIES THAT LIVE OUTSIDE OUR COMMUNITY WITH LIMITED RESOURCES (FINANCIAL, TRANSPORTATION, FAMILY SUPPORT) WHO HAVE A LOVED ONE IN CRITICAL CARE ARE REFERRED BY KDMC SOCIAL WORKERS TO THE HOSPITALITY HOUSE GUESTS OF THE HOSPITALITY HOUSE INCLUDE ADULT FAMILY MEMBERS OR CAREGIVERS OF EITHER CRITICALLY ILL PATIENTS RECEIVING CARE AT KDMC, OR QUALIFYING OUTPATIENTS RECEIVING EXTENDED THERAPEUTIC CARE IN NEARLY ALL CASES, GUESTS LIVE OUTSIDE A 30-MILE RADIUS OF ASHLAND THE HOUSE DOES NOT CHARGE FAMILIES TO STAY, HOWEVER A NUMBER OF THE GUESTS MADE A VOLUNTARY CONTRIBUTION THE HOSPITALITY HOUSE SERVED 1,818 GUESTS DURING THE FISCAL YEAR ACCESS TO PRESCRIPTION MEDICATIONS DURING 2009, KING'S DAUGHTERS HAD CLERICAL STAFF DEDICATED TO HELPING PATIENTS SERVED BY OUR FAMILY CARE CENTERS AND HOME HEALTH AGENCY COMPLETE THE REQUIRED PAPERWORK TO ACCESS DRUG COMPANY PRESCRIPTION PROGRAMS THIS ALLOWS PATIENTS THAT CANNOT AFFORD THEIR MEDICATION TO ACCESS THE MEDICATION AT LITTLE OR NO COST THE CLERK WORKS WITH THE PATIENT TO COMPLETE THE NEEDED FORMS THEN FORWARDS THE INFORMATION ALONG WITH THE PHYSICIAN ORDER TO THE DRUG COMPANY ASSISTANCE WITH CONTINUATION APPLICATIONS IS ALSO AVAILABLE THE MEDICAL CENTER DOES NOT BILL PATIENTS FOR THIS SERVICE AND IS NOT REIMBURSED BY THE DRUG COMPANY DURING FISCAL YEAR 2009, MORE THAN 280 PATIENTS WERE ASSISTED BY THE PROGRAM IN ADDITION, THE FAMILY CARE CENTERS PROVIDE SAMPLE MEDICATIONS TO INDIGENT PATIENTS THIS PROGRAM IS PROVIDED AT NO COST TO THE PATIENT FAMILY CARE CENTER STAFF RECORD THE MEDICATIONS, LABEL FOR USE AND DOCUMENT THE DISTRIBUTION CALL CENTER DURING 2009, KDMC'S CALL CENTER ASSISTED CALLERS WITH CLASS REGISTRATIONS, LITERATURE REQUESTS, PHYSICIAN REFERRALS AND GENERAL INFORMATION RELATED TO THE MEDICAL CENTER DURING THE YEAR, THE CALL CENTER TOTALED 12,976 CALLS CALLS INCLUDED PHYSICIAN REFERRALS, REQUESTS FOR HEALTH LITERATURE AND CALLS TO REGISTER FOR CLASSES OR FREE HEALTH SCREENINGS TOBACCO CESSATION/LUNG HEALTH THE TOBACCO CESSATION PROGRAM AND LUNG HEALTH PROGRAM OFFER SUPPORT THROUGH TOBACCO CESSATION CLASSES AND ASSISTANCE TO PATIENTS DIAGNOSED WITH LUNG CANCER AT KDMC THE LUNG HEALTH PROGRAM INCLUDES A CLINICAL NURSE SPECIALIST WHO PROVIDES PATIENT NAVIGATION FOR NEWLY DIAGNOSED LUNG CANCER PATIENTS THE PROGRAM INCLUDES TWO LUNG HEALTH ADVOCATES THAT PROVIDE TOBACCO CESSATION COUNSELING AND CLASSES IN 2009, 110 COMMUNITY MEMBERS GRADUATED FROM OUR TOBACCO CESSATION CLASSES THE 24-WEEK PROGRAM HAS A VERY HIGH SUCCESS RATE WITH 82% OF GRADUATES SMOKE FREE AFTER THE FIRST YEAR AND 78% SMOKE FREE AFTER FIVE YEARS FLU SHOTS DURING THE FISCAL YEAR, KDMC PROVIDED 2,809 FREE FLU SHOTS THROUGHOUT THE COMMUNITY WITH THE FLU SHOT PROGRAM, WE STRIVE TO REACH POPULATIONS THAT ARE AT HIGHER RISK OF CONTRACTING THE FLU TARGETED POPULATIONS INCLUDE THOSE DESIGNATED HIGH RISK BY THE CENTER FOR DISEASE CONTROL, CAREGIVERS OF VULNERABLE POPULATIONS INCLUDING HOMELESS, INDIGENT, SCHOOLTEACHERS, DAY CARE WORKERS AND CAREGIVERS FOR THE ELDERLY FLU SHOTS ARE DELIVERED THROUGH A VARIETY OF SETTINGS AND IN MULTIPLE COUNTIES SERVED BY THE MEDICAL CENTER CAR SEAT SAFETY INSPECTIONS/SAFE KIDS RIVER CITIES COMMUNITIES COALITION KDMC CONTINUES TO BE THE LEAD AGENCY FOR THE RIVER CITIES SAFE KIDS COALITION THE COALITION IS COMPRISED OF 25 PEOPLE FROM MORE THAN A DOZEN AGENCIES WHO MEET MONTHLY TO DEVISE CHILDHOOD INJURY PREVENTION STRATEGIES TO MAKE OUR COMMUNITY A SAFE PLACE FOR OUR CHILDREN OF THE EFFORTS, CHILD PASSENGER SAFETY IS A FAVORITE CAUSE MORE THAN 110 TECHNICIANS HAVE BEEN TRAINED AND CERTIFIED TO DATE THE COALITION'S TECHNICIANS INSPECTED 85 SEATS, THROUGH SAFE KIDS EVENTS, WITH 98 PERCENT INCORRECTLY INSTALLED TECHNICIANS DEMONSTRATED CORRECT INSTALLATION FOR THE PARENTS USING PROPER TECHNIQUES ADDITIONAL GRANT DOLLARS WERE SECURED TO OFFER LOW COST OR FREE CAR SEATS TO INDIVIDUALS THAT COULD NOT AFFORD TO BUY A CHILD SAFETY SEAT OTHER PROGRAMS INCLUDE BICYCLE, PLAYGROUND, FARM, AND FIRE SAFETY

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS (CONT)		Tobacco Education KDMC continues to teach children about the ill effects of tobacco KDMC provides Tobacco Free Academies for students in fourth through sixth grades in Boyd, Carter and Greenup counties in Kentucky and Law rence County in Ohio Additional programming is provided for all other school age children targeting the anti-tobacco message In fiscal year 2009, KDMC sponsored free tobacco education programs for area children and adults More than 21,512 students heard about the dangers of tobacco use, w ith an additional 9,553 adults getting the anti-tobacco message There w ere more than 2,000 attendees at KDMC's 24-w eek smoking cessation classes KDMC has tw o lung health program coordinators that teach the tobacco cessation program classes Blood Donations To help ensure an adequate blood supply, KDMC partners w ith the American Red Cross Blood Services, making significant efforts to secure more blood donors through regularly scheduled blood drives and a fixed-site blood donation facility located on medical center property Ongoing promotions remind employees, patients and families of the upcoming blood drives and donor room These blood collection efforts produced more than 422 productive blood donations for the year Health Ministries KDMC through its FaithWorks program continues to build relationships w ithin the area congregations The Community Services Department coordinates the program through a registered nurse or health educator w ith primary responsibility to serve as a health resource to any local congregation that is interested Resources such as equipment and staff for health fairs, educational seminars, health literature, etc are provided to members The health ministries program has more than 150 member churches and provided 107 screenings, flu shot clinics or educational program events The medical center's financial assistance policy provides direction for free or discounted services to residents of the community w ho have inadequate financial resources to pay for necessary healthcare services provided by King's Daughters The policy states that the medical center w ill not deny care to any patient requiring care due to their inability to pay The financial assistance policy provides guidance to providing assistance based on sliding scale methodology and the Federal Poverty guidelines established by the Department of Health and Human Services Patients requiring care w ith income below 300% of the Federal Poverty level qualify for free or reduced cost services The financial assistance program is on the KDMC w ebsite and the phone number to access information about our financial assistance program is provided to patients through the Patient Information Guide at admittance to the hospital KDMC w orks to identify patients that may have limited resources and offers financial assistance w hen appropriate The Pastoral Care Services Department employs four full-time chaplains and an administrative assistant to provide spiritual and emotional support for our patients, their families and friends and for the staff of King's Daughters Medical Center One-on-one counseling as w ell as group counseling, w hich includes grief support and palliative care for end-of-life patients and their families, is offered by the department Pastoral Care Services offers quarterly memorial services for families w ho experience the death of a loved one at the medical center Additionally, Pastoral Care Services sponsors a monthly prayer breakfast in the community, w hich allow s community members and business people to meet for prayer and inspiration prior to the start of the w orkday In honor of the National Day of Prayer, KDMC sponsors a prayer breakfast on campus w ith more than 300 persons in attendance Health Screenings For many years, KDMC has routinely sponsored free health screenings in a seven county area, how ever, demand for these screenings continues to grow and attracts a w ide age group Last year, KDMC sponsored more than 232 events reaching more than 44,000 individuals in fourteen counties in Kentucky and four counties in Ohio Screenings offered include *Blood pressure - 8,755 screened, 37% abnormal *Total cholesterol - 6,793 screened, 28% abnormal *Blood sugar - 7,749 screened, 20% abnormal *Lung function - 592 screened, 27% abnormal *Blood oxygen - 8,124 screened, 2% abnormal *Ankle brachial index - 978 screened, 30% abnormal *EKG - 619 screened *Lipid profile - 1063 screened, 84% abnormal *Abdominal ultrasound - 123 screened, 3% abnormal *Carotid ultrasound - 123 screened, 5% abnormal *Hearing - 188 screened, 38% abnormal *Vision - 217 screened *Osteoporosis - 256 screened *Skin cancer - 230 screened, 18% abnormal *Prostate cancer - 658 screened, 4% abnormal *Balance assessment (fall risk) - 19 screened, 19% abnormal *Glaucoma - 39 screened, 12% abnormal *Body Mass Index - 191 screened, 42% overw eight or obese *Framingham Heart Risk assessment - 110 screened, 44% abnormal *Sports physicals - 470 provided A HEALTHCARE PROFESSIONAL REVIEWED SCREENING RESULTS WITH PARTICIPANTS AND PROVIDED THEM WITH EDUCATIONAL MATERIALS INDIVIDUALS WITH ABNORMAL RESULTS WERE SENT A FOLLOW-UP LETTER REMINDING THEM TO SHARE THEIR RESULTS WITH THEIR HEALTHCARE PROVIDER Children's Educational Programming Keeping a young child's or teenagers' attention in a high tech w orld is challenging Children present a special problem in how to reach them w ith a healthy lifestyle message To reach this audience KDMC partners w ith schools, churches and preschool programs During 2009, KDMC sponsored the follow ing activities *Act in Time to Heart Attack Signs - 702 served *Asthma education - 435 served *Bicycle safety - 1,116 served *Bone health - 1,153 served *Brain health - 6,588 served *Breast cancer education - 1,549 served *Colon Cancer education - 735 served *Diabetes education - 1,369 served *Exercise is Fun - 826 served *First Aid training - 680 served *Hand w ashing - 2,375 served *Heart health - 7,551 served *Hydration education - 1,494 *Lung Cancer education - 1,248 served *Nutrition - 8,908 served *Poison prevention - 1,845 served *Safety (includes ATV, w heeled safety,w ater & others)-3,629 served *Skin cancer education - 2,780 served *Stuffee, a seven foot, over-stuffed teaching doll, reveals his major internal organs by unzipping his tummy - 1,844 served *Stroke education - 1,045 served *Summer safety - 1,684 served *Tobacco education - 21,512 served *Other health and safety education programs - 1,443 Educational programs for adults The medical center focuses educational programs on adults in the community through various venues including special classes, church events and in partnership w ith our health screenings During 2009 the follow ing educational offerings took place *Act in Time to Heart Attack Signs - 447 served *Alcohol and other drugs - 185 served *Asthma education - 603 served *Bicycle safety - 422 served *Bone health - 407 served *Brain health - 264 served *Breast health - 3,649 served *Childbirth - 591 served *Colon cancer - 1,613 served *Diabetes education - 2,528 served *Early Heart attack Signs & Symptoms - 3,751 served *Exercise - 466 served *Hand w ashing - 908 served *Heart health - 11,336 served *Hydration education - 1,396 served *Lung cancer - 1,794 served *Nutrition - 3,180 served *Oral cancer - 142 served *Poison prevention - 470 served *Safety - 1,137 served *Skin health - 4,723 served *Stroke education - 6,171 served *Summer safety - 886 served *Testicular Cancer - 315 served *Tobacco - 9,553 served *Vehicle safety - 62 served

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS (CONT)		Meals-on-Wheels KDMC, together with two local non-profit agencies, CAReS and Community Kitchen, provide three daily meals, five-days-a-week, to an average of 50 community members that are homebound and unable to take care of cooking meals for themselves Over 110 community volunteers make the deliveries, and of those, 103 are KDMC employees, who volunteered a total of 2,309 hours last year to the Meals-on-Wheels program KDMC Community Services Department coordinates all volunteers, delivery routes and finances while Community Kitchen, the local soup kitchen, prepares and packages meals ready for delivery and CAReS, a local referral agency screens applicants The Meals-on-Wheels program delivered 9,883 meals during 2009 Meal recipients pay only $15 per week, KDMC subsidized the cost of the program by $37,243 Support Groups KDMC sponsors the following support groups Diabetes (adult and juvenile), Crohn's and Colitis, Depression, Heart Failure, Stroke, Breast Cancer, Brain Injury, Bereavement (for families that have lost a baby), Bariatric Surgery, Ostomy, PACE Device and those dealing with grief During fiscal year 2009, 1,157 individuals attended support group meetings at KDMC Adopt-a-Family More than 120 departments within the hospital and more than 1,500 team members purchased Christmas gifts and food for 125 needy families KDMC adopts families selected through a partnership with CAReS, a local resource and referral agency In addition, elderly residents of area nursing homes are adopted The medical center provided each family with a gift certificate for perishable food items for Christmas dinner Team members spent more than $63,000 to make Christmas happier for the area's most needy families Backpack Program More than 90 departments within the hospital and more than 870 team members purchased backpacks, school supplies, and school clothing for 165 needy children Children are selected through a partnership with the Ashland Alliance, the local chamber of commerce Community Halloween Party KDMC and the City of Ashland co-sponsor a Halloween Party in an effort to offer an alternative to children who do not have safe trick-or-treat neighborhoods Through candy, games, prizes, and of course toothbrushes for all, approximately 1,500 children and parents have a fun and safe Halloween Health Care Professionals Education Training and Continuing Education Helping keep our workforce up-to-date with the latest information is important to providing quality health care KDMC, through the Learning and Organizational Development department, offers educational programming, either at no charge to KDMC team members or for a nominal fee to offset cost for other area health professionals The medical center's general fee statement is KDMC team members and affiliates - free All others $10 (covers cost of course materials and lunch) The target audiences include physicians, nurses, allied health professionals, and other healthcare providers with an interest in the latest innovations in heart and vascular care Last year, 10,851 hours nursing education were provided The medical center also provided 1358 hours of continuing education for area physicians Educational Conferences The medical center hosts several events for the benefit of the community These events are open to all doctors and nurses in the region and are accredited for continuing education hours During 2009, the following events were held Regional Cancer Conference, August 2009, 107 attendees Domestic Violence Seminars, June 2009, 85 attendees HIV/AIDS Conference, June 2009, 153 attendees Neuroscience Conference, May 2009, 133 attendees Aggressive and Behavioral Problems in Children, May 2009, 29 attendees Colon Cancer, March 2009, 37 attendees Are Cardiovascular Risk Factors Meaningful, April 2009, 26 attendees Check Lipid Profile in Children, April 2009, 24 attendees Women's Health Conference, April 2009, 139 attendees Maternal Child Health, March 2009, 141 attendees Pharmacology Update, April 2009, 58 attendees EMS Conference, March 2009, 133 attendees The medical center provided funding for these conferences at a cost of $61,791 Regional CPR Training Center In partnership with the American Heart Association, KDMC coordinates the CPR training center for a 20 county region Courses offered through the training center include cardiopulmonary resuscitation (CPR), automatic external defibrillator (AED), advanced life support (ACLS) and pediatric life support (PALS) KDMC offers on-site classes in all areas including instructor courses Coordination also includes keeping instructor information current, issuing certification cards, housing books and other needed supplies and maintaining manikins The training center issued more than 9,000 certification cards last year Clinical Rounds for Nursing Students The medical center partners with seven area nursing schools (Ashland Community and Technical College, Collins Career Center, Ohio University Southern, Marshall University, Morehead State University, Rio Grande University and Shawnee State University) to provide bedside clinical rotations for their students Medical center nursing staff act as preceptors for the student nurses, helping them to learn with first hand patient experience During the 2009 calendar year, 349 student nurses were assigned to the medical center Hospital nursing staff spent 5,924 hours with the nursing students during their clinical rotation experience Clinical Experience for Radiology Students The medical center partners with several schools to provide clinical experience for their students During fiscal year 2009, 59 students spent 2,376 hours with KDMC Radiology Department staff Students gained experience in X-ray, Ultrasound, CT and MRI Subsidized Services To Meet Community Need Women and Children's Health KDMC delivered more than 1,650 babies this year to mothers of all socioeconomic levels These mothers-to-be and their families were offered a variety of educational programs free of charge including childbirth education (including weekend courses), parent/grandparent refresher courses, new sibling class, infant and child CPR and postpartum education ranging from breast-feeding to car seat installation and safety Any new mother needing a car seat was provided a new car seat at no charge Diabetes Education Due to the high incidence of diabetes in our area, two full time diabetes educators and one part time diabetes educator provided one-on-one counseling Additional support services include an adult diabetes support group and diabetes in youth support group A four part diabetes self-management class series also was held monthly Neonatal Intensive Care (NICU) The King's Daughters NICU is one of four Level III units in Kentucky, which means our NICU can deliver the most advanced care available The NICU has two neonatologists and specially trained nursing staff who provide round-the-clock care for our smallest and most fragile infants Cardiology Clinic The Cardiology Clinic helps patients manage their heart conditions Patients taking blood thinners, struggling with heart failure and battling abnormal cholesterol levels can find the resources and support needed to stay healthy and avoid hospitalizations The specialty clinic also has a women's heart health program to alert women to possible risk factors and help them reduce their risk of developing heart problems Behavioral Medicine KDMC's Behavioral Medicine Unit is for adults who need inpatient treatment for emotional and behavioral disorders The unit has 27 beds, provides 24-hour nursing care in a tobacco free environment, and has an interdisciplinary team that works together to provide the most comprehensive care for our behavioral medicine patients

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS (CONT)		Emergency Services The King's Daughters Emergency Department (ED) is open 24 hour a day, seven days per week to treat emergencies Our ED features 35 beds, as well as a 10-bed Express Care Unit that provides treatment for minor injuries and illnesses Patients arriving at the ED see a triage nurse that evaluates their condition and prioritizes care according to this assessment - more emergent patients are seen first KDMC's ED sees all patients regardless of their ability to pay Medical Research and Clinical Trials The Kings Daughter's Medical Center, Office of Research Operations (ORO) coordinates a variety of clinical trials related to oncology, and works in conjunction with the Kentucky Heart Foundation to conduct heart and vascular trials (detailed in a separate narrative) If qualified, patients may choose to participate in a clinical trial The ORO provides clinical and administrative support in partnership with physicians serving as principal and sub-investigators Clinical trials test the benefits of new drugs and treatment regimens and may help to determine optimal standards of care KDMC participates with many sponsoring institutions including the University of Kentucky Medical Center, National Surgical Adjuvant Breast and Bowel Project, the Cancer and Leukemia Group B, Cancer Trials Support Unit (sponsored by the National Cancer Institute), Southwest Oncology Group, Gynecological Oncology Group, Cancer Trials Support Unit (in support of the National Cancer Institute) and the Clinical Trials Network in association with the Kentucky Lung Cancer Research Program In addition to clinical trials, Kings Daughter's Medical Center offers the Hereditary Cancer Program through the Oncology Service Line, which provides genetic counseling to patients who may be predisposed to carry a hereditary gene causing cancer Currently genetic testing is available for types of hereditary breast, ovarian, uterine, colon, and thyroid cancers The Oncology Service Line supports the overall cancer program and maintains the American College of Surgeons Accreditation (requirements for accreditation include a minimum 2% of the prior years cancer registry participate in a clinical trial during each year of the 3 year accreditation period) The Cancer Registry collects, analyzes and enters into the Kentucky Cancer Registry all cancers either diagnosed and/or first treated at KDMC In turn, the Kentucky Registry submits state data into a national database, which includes types of cancers, stage and treatment modalities Comparative data is then analyzed across the nation for incidence, stage of cancer diagnosed and types of cancer diagnosed This data is used in decision making about cancer screening and education programs Comparative data is then analyzed across the nation for incidence, stage of cancer diagnosed, types of cancer diagnosed and length of survival Several cardiovascular clinical trials were conducted at KDMC in FY 2009 Working in conjunction the Kentucky Heart Foundation and various drug/device sponsors KDMC patients had the opportunity to participate in a clinical trial Trials conducted included SAPPHIRE (a device trial which allows both symptomatic and asymptomatic patients with carotid stenosis to be treated), DETERMINE (evaluating internal defibrillators and prevention of early death using cardiac MRI), PROTECT II (comparing the Impella system vs intra aortic balloon pump), PIVOTAL (a device trial providing abdominal aortic aneurysm grafts earlier in the patients disease progression), IMPROVE-IT (a drug trial comparing two anti-lipid regimens), OptiVol (compares monthly versus quarterly review of CardiacCompass Trends with OptiVol for initiation of clinical action), SATURN (study patients who have a clinical indication for a coronary catheterization and who have coronary artery disease), WISQ (evaluates the validity, reliability, and responsiveness of the WISQ in women with chronic angina based on changes in patient reported angina frequency and nitroglycerin (NTG) consumption before and following treatment with ranolazine), OMNI (a study that assesses therapies in Medtronic Pacemaker, Defibrillator, and Cardiac Resynchronization Therapy Devices), and CHAMPION (a trial to compare two blood clot prevention drugs during angioplasty) FINANCIAL AND IN-KIND CONTRIBUTIONS HEALTH EDUCATION NURSING EDUCATION TO HELP INSURE AN ADEQUATE HEALTHCARE WORKFORCE, THE MEDICAL CENTER PROVIDED SUPPORT TO ASHLAND COMMUNITY AND TECHNICAL COLLEGE'S SCHOOL OF NURSING FOR PROGRAM EXPANSION ($119,400) COMMUNITY BENEFIT - HEALTH RELATED TO HELP INSURE THAT THE AREAS UNDERSERVED HAVE ACCESS TO HELP AT THE MOST BASIC NEED, THE MEDICAL CENTER SPONSORS A NUMBER OF NON-PROFITS AND PROGRAMS SOME OF THOSE ASSISTED ARE AS FOLLOWS

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS (CONT)		HEARTS IN ACTION AS PART OF THE HEARTS IN ACTION INITIATIVE, KDMC BEGAN WORKING CLOSER WITH AREA EMS SERVICES IN ORDER TO IDENTIFY OPPORTUNITIES TO IMPROVE PRE-HOSPITAL CARE FOR PATIENTS THE MEDICAL CENTER CONTINUEDD THEIR SUPPORT OF THE EMS SERVICES BY PROVIDING THE SPIRIT GLOBALSTAR GSP-1600 SATELLITE PHONE SYSTEM SERVICE, WHICH HELPS OVERCOME DEAD ZONES THAT ARE COMMON IN RURAL AREAS WITH OTHER MOBILE PHONE SERVICES KDMC'S CPR TRAINING CENTER STAFF ALSO PROVIDED THE NECESSARY TRAINING FOR THE EMS STAFF TO BE ABLE TO USE THE NEW EQUIPMENT ($9,406) IN ADDITION, THE MEDICAL CENTER PROVIDED PORTABLE AEDS TO ORGANIZATIONS IN LAWRENCE AND SCIOTO COUNTIES IN OHIO THE AEDS WERE DISTRIBUTED TO OTHER NON-PROFITS AND FIRST RESPONDER ORGANIZATIONS ($38,434) CARES RESOURCE AND REFERRAL AGENCY DURING FISCAL YEAR 2009, KDMC CONTRIBUTED MONEY TO CARES, A LOCAL NON-PROFIT ORGANIZATION THAT ASSISTS LOW-INCOME OR UNINSURED PERSONS WITH MEETING BASIC NEEDS AND PURCHASING PRESCRIPTION MEDICATIONS KDMC FAMILY CARE CENTERS ALSO HELP PATIENTS COMPLETE FORMS TO ACCESS LONG TERM MEDICATIONS THROUGH PHARMACEUTICAL COMPANY PROGRAMS MEDICATION ASSISTANCE ($5,000) AND OPERATIONAL SUPPORT ($5,000) COMMUNITY KITCHEN KDMC PROVIDED FUNDS FOR ADMINSTRATIVE SUPPORT TO COMMUNITY KITCHEN, A LOCAL NON-PROFIT ORGANIZATION THAT PROVIDES FREE HOT MEALS AT THE CALVARY EPISCOPAL CHURCH AS WELL AS PROVIDING MEALS FOR ASHLAND'S MEALS-ON-WHEELS PROGRAM ($5,000) SAFE HARBOR DURING FISCAL YEAR 2009, KDMC CONTRIBUTED TO SAFE HARBOR, AN EMERGENCY SHELTER AND ADVOCACY CENTER THAT PROVIDES FREE CONFIDENTIAL CARING AND SUPPORTIVE SERVICES TO ALL DOMESTIC VIOLENCE AND SEXUAL ASSAULT VICTIMS IN BOYD, GREENUP, CARTER, LAWRENCE, AND ELLIOTT COUNTIES ($5,000) TWO HEARTS PREGNANCY CENTER KDMC PROVIDED FINANCIAL SUPPORT FOR TWO HEARTS PREGNANCY CENTER, A LOCAL NON-PROFIT THAT HELPS WOMEN WHO FIND THEMSELVES IN A CRISIS SITUATION OVER A PREGNANCY ($3,000) OTHER SUPPORT THE MEDICAL CENTER SUPPORTS NATIONAL ORGANIZATIONS THROUGH LOCAL EFFORTS TO RAISE FUNDS SUPPORTING MEDICAL RESEARCCH AND HEALTH EDUCATION PROGRAMS THESE INCLUDE THE AMERICAN RED CROSS, MARCH OF DIMES WALK AMERICA AND THE AMERICAN CANCER SOCIETY ($2,550) IN ADDITION, SUPPORT WAS PROVIDED TO COMMUNITY HOSPICE AND HANNAH JO SMITH FOUNDATION ($1,040) COMMUNITY BUILDING - NON-HEALTH NEIGHBORS HELPING NEIGHBORS THE MEDICAL CENTER PROVIDED SUPPORT FOR NEIGHBORS HELPING NEIGHBORS, A MULTI-SERVICE CENTER WHERE FAMILIES IN NEED CAN RECEIVE BASIC HUMAN SERVICES IN ONE LOCATION ($5,000) KIWANIS CLUB OF PORTSMOUTH SUPPORT WAS PROVIDED FOR THE KIWANIS CLUB PLAYGROUND FUND ($1,000) BIG BROTHERS/BIG SISTERS THE MEDICAL CENTER PROVIDED SUPPORT FOR BIG BROTHERS/BIG SISTERS OF THE TRI-STATE, AN ORGANIZATION THAT PROVIDES GUIDANCE AND COMPANIONSHIP TO YOUTH THROUGH A ONE-ON-ONE RELATIONSHIP WITH A CARING VOLUNTEER ($5,000) THE DRESSING ROOM SUPPORT WAS PROVIDED FOR THE DRESSING ROOM, A LOCAL NONPROFIT ORGANIZATION THAT COLLECTS, CLEANS AND REPAIRS CLOTHING AND REDISTRIBUTES AT NO COST TO INDIVIDUALS IN NEED ($500) Arts and Entertainment The medical center supports area arts and entertainment as part of the overall quality of life for the region Those supported include the Paramount Arts Center and Highlands Museum and Discovery Center ($20,750) In-kind contributions KDMC donated more than $15,000 of in-kind contributions This includes food, personal care items, medical supplies, first aid kits, children's car seats, educational activity books, baby care kits, diapers, formula, etc Additionally, KDMC donates furniture, electronics, computers and medical equipment taken out of use at the medical center to churches, schools, colleges and other non-profit agencies KDMC also assists with activities of other agencies by providing silent auction items and door prizes for fund raising events Community Building Activities Voluntary Leadership As the largest employer in the region, KDMC is the business leader for the annual community United Way Campaign KDMC had 1,586 team members contributed more than $114,000 to the local initiative Members of KDMC's leadership team also serve on a number of Boards of other non-profits including Youth Leadership of Boyd & Greenup counties, United Way, River Cities Harvest, Ramey-Estep Home, Paramount Arts Center, Neighbors Helping Neighbors, Community Hospice, Tri-State Industries, Northeast Kentucky Care Center, Arts Council of Northeast Kentucky, Ashland Main Street, KY-ASAP, Highlands Museum, March of Dimes and CAReS Community Projects KDMC is located in an area that has many non-profit organizations raising funds and awareness for their project, including the American Heart Association, American Cancer Society, American Red Cross, The Neighborhood, Big Brothers/Big Sisters KDMC team members help organize events and provide leadership through fund raising and recruiting volunteers KDMC encourages team members to participate and frequently "loans" team members to the cause Economic Development As part of the medical centers contribution to local economic development, the medical center supported the Ashland Main Street project ($675) Other Events and Activities Big Brothers/Big Sisters Christmas Tree Sale The medical center had more than 148 team members volunteer to assist March of Dimes Walk America, 41 employees walked - more than $7,800 raised American Cancer Society Relay for Life, Boyd, Carter and Greenup counties, more than 500 attendees, 150 team member volunteers raised more than $27,000 Repair Affair home improvement project for low income and handicapped families 24 team members volunteered to do repairs and upgrades to selected HUD approved houses

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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
ASHLAND HOSPITAL CORPORATION

Employer identification number
61-0444716

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
ASHLAND NURSING HOME CORPORATION 2500 STATE ROUTE 5 ASHLAND, KY41102 61-1386016	NURSING HOME	KY	501(C)(3)	11-I	NA
KENTUCKY MEDICAL LOGISTICS INC 2518 STATE ROUTE 5 ASHLAND, KY41102 26-4736971	MED TRANSPORT	KY	501(C)(3)	9	NA
KENTUCKY HEART INSTITUTE 2201 LEXINGTON AVE ASHLAND, KY41101 61-1255904	PHYSICIANS	KY	501(C)(3)	9	NA
KENTUCKY HEART FOUNDATION 2201 LEXINGTON AVE ASHLAND, KY41101 26-0791997	MED RESEARCH	KY	501(C)(3)	4	NA
KING'S DAUGHTERS HEALTH FOUNDATION INC 2201 LEXINGTON AVE ASHLAND, KY41101 61-1035701	FUNDRAISING	KY	501(C)(3)	11-III-FI	NA
KING'S DAUGHTERS MEDICAL SPECIALTIESINC 2201 LEXINGTON AVE ASHLAND, KY41101 26-4183569	PHYSICIANS	KY	501(C)(3)	9	NA
CHILD DEVELOPMENT CENTER CORPORATION 2201 LEXINGTON AVE ASHLAND, KY41101 01-0560598	DAYCARE	KY	501(C)(3)	11-I	NA

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproprtionate allocations? Yes	(H) No	(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner? Yes	(J) No

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
ASHLAND MEDICAL PROPERTIES INC 2201 LEXINGTON AVE ASHLAND, KY41101 61-1079090	rentals	KY	na	C	0	72,276	100 %

Part V Transactions with Related Organizations

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

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

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

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

Part VI Unrelated Organizations Taxable as a Partnership

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

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

Additional Data Return to Form

Software ID:
Software Version:
EIN: 61-0444716
Name: ASHLAND HOSPITAL CORPORATION

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
ASHLAND NURSING HOME CORPORATION 2500 STATE ROUTE 5 ASHLAND, KY41102 61-1386016	NURSING HOME	KY	501(C)(3)	11-I	NA
KENTUCKY MEDICAL LOGISTICS INC 2518 STATE ROUTE 5 ASHLAND, KY41102 26-4736971	MED TRANSPORT	KY	501(C)(3)	9	NA
KENTUCKY HEART INSTITUTE 2201 LEXINGTON AVE ASHLAND, KY41101 61-1255904	PHYSICIANS	KY	501(C)(3)	9	NA
KENTUCKY HEART FOUNDATION 2201 LEXINGTON AVE ASHLAND, KY41101 26-0791997	MED RESEARCH	KY	501(C)(3)	4	NA
KING'S DAUGHTERS HEALTH FOUNDATION INC 2201 LEXINGTON AVE ASHLAND, KY41101 61-1035701	FUNDRAISING	KY	501(C)(3)	11-III-FI	NA
KING'S DAUGHTERS MEDICAL SPECIALTIESINC 2201 LEXINGTON AVE ASHLAND, KY41101 26-4183569	PHYSICIANS	KY	501(C)(3)	9	NA
CHILD DEVELOPMENT CENTER CORPORATION 2201 LEXINGTON AVE ASHLAND, KY41101 01-0560598	DAYCARE	KY	501(C)(3)	11-I	NA

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

	(A) Name of other organization	(B) Transaction type(a-r)	(C) Amount Involved ($)
(1)	KENTUCKY MEDICAL LOGISTICS	B	1,768,009
(2)	KENTUCKY MEDICAL LOGISTICS	Q	920,802
(3)	KINGSBROOK LIFECARE CENTER	N	99
(4)	KINGSBROOK LIFECARE CENTER	Q	474,193
(5)	KENTUCKY HEART FOUNDATION	A	26,367
(6)	KENTUCKY HEART FOUNDATION	Q	1,019,579
(7)	KENTUCKY HEART INSTITUTE	B	1,167,192
(8)	KENTUCKY HEART INSTITUTE	A	37,776
(9)	KENTUCKY HEART INSTITUTE	L	514
(10)	KENTUCKY HEART INSTITUTE	K	1,364
(11)	KENTUCKY HEART INSTITUTE	N	56,277
(12)	KENTUCKY HEART INSTITUTE	Q	4,998,496
(13)	CHILD DEVELOPMENT CENTER	B	14,703
(14)	CHILD DEVELOPMENT CENTER	Q	415,742

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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**
ASHLAND HOSPITAL CORPORATION	GENERAL DEPRECIATION	61-0444716

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**	2,308

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**	
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**	2,308
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**	

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Form **4797**

Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

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

OMB No 1545-0184

2008

Attachment Sequence No **27**

Name(s) shown on return
ASHLAND HOSPITAL CORPORATION

Identifying number
61-0444716

1	Enter the gross proceeds from sales or exchanges reported to you for 2008 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)	**1**	

Part I **Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year** (see instructions)

(a) Description of property	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2 VARIOUS EQUIPMENT			6,635		86,315	-79,680

3	Gain, if any, from Form 4684, line 45	**3**	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	**4**	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	**5**	
6	Gain, if any, from line 32, from other than casualty or theft	**6**	
7	Combine lines 2 through 6 Enter the gain or (loss) here and on the appropriate line as follows	**7**	-79,680
	Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9 Skip lines 8, 9, 11, and 12 below		
	Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9 If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below		
8	Nonrecaptured net section 1231 losses from prior years (see instructions)	**8**	
9	Subtract line 8 from line 7 If zero or less, enter -0- If line 9 is zero, enter the gain from line 7 on line 12 below If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)	**9**	

Part II **Ordinary Gains and Losses** (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less)

11	Loss, if any, from line 7	**11**	(79,680)
12	Gain, if any, from line 7, or amount from line 8, if applicable	**12**	
13	Gain, if any, from line 31	**13**	
14	Net gain or (loss) from Form 4684, lines 37 and 44a	**14**	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	**15**	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	**16**	
17	Combine lines 10 through 16	**17**	-79,680
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below For individual returns, complete lines a and b below		
a	If the loss on line 11 includes a loss from Form 4684, line 41, column (b)(ii), enter that part of the loss here Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23 Identify as from "Form 4797, line 18a " See instructions	**18a**	
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a Enter here and on Form 1040, line 14	**18b**	

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255 (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property	(b) Date acquired(mo , day, yr)	(c) Date sold (mo , day, yr)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D ▶		Property A	Property B	Property C	Property D
20 Gross sales price (**Note:** *See line 1 before completing*) .	20				
21 Cost or other basis plus expense of sale . .	21				
22 Depreciation (or depletion) allowed or allowable	22				
23 Adjusted basis Subtract line 22 from line 21 .	23				
24 Total gain Subtract line 23 from line 20 . .	24				
25 If section 1245 property:					
a Depreciation allowed or allowable from line 22	25a				
b Enter the **smaller** of line 24 or 25a	25b				
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291					
a Additional depreciation after 1975 (see instructions) . .	26a				
b Applicable percentage multiplied by the **smaller** of line 24 or line 26a (see instructions) . . .	26b				
c Subtract line 26a from line 24 If residential rental property **or** line 24 is not more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976 . .	26d				
e Enter the **smaller** of line 26c or 26d . . .	26e				
f Sections 291 amount (corporations only) . .	26f				
g Add lines 26b, 26e, and 26f	26g				
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership)					
a Soil, water, and land clearing expenses . .	27a				
b Line 27a multiplied by applicable percentage (see instructions) .	27b				
c Enter the **smaller** of line 24 or 27b	27c				
28 If section 1254 property:					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a				
b Enter the **smaller** of line 24 or 28a	28b				
29 If section 1255 property:					
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a				
b Enter the **smaller** of line 24 or 29a (see instructions)	29b				

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b Enter here and on line 13 .	31	
32	Subtract line 31 from line 30 Enter the portion from casualty or theft on Form 4684, line 39 Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (see instructions)

			(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years . .	33		
34	Recomputed depreciation (see instructions)	34		
35	Recapture amount Subtract line 34 from line 33 See the instructions for where to report . .	35		

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			
GAMANI THU MD , PHYSICIAN	40 0					X		378,756	0	26,094

Additional Data

Software ID:
Software Version:
EIN: 61-0444716
Name: ASHLAND HOSPITAL CORPORATION

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			
STEPHEN ADDINGTON , DIRECTOR	1 0	X						0	0	0
JACK BLAIR , DIRECTOR	1 0	X						0	0	0
KEN BLANTON , DIRECTOR	1 0	X						0	0	0
TOM BURNETTE , DIRECTOR	1 0	X						0	0	0
JIM CANTRELL , DIRECTOR	1 0	X						0	0	0
DONALD HAMMONDS DO , DIRECTOR	1 0	X						0	0	0
TRACY HILLMAN , DIRECTOR	1 0	X						0	0	0
MIKE LIGHT , DIRECTOR	1 0	X						0	0	0
RAYMOND MECCA MD , DIRECTOR	1 0	X						1,000	0	0
LYNN RICE , DIRECTOR	1 0	X						0	0	0
JOHN STEWART , DIRECTOR	1 0	X						0	0	0
KEVIN WILLIS MD , DIRECTOR, physician, med staff	1 0	X						465,461	0	0
SHARON WOLFE , DIRECTOR	1 0	X						0	0	0
DAVID JONES , CHAIRMAN	1 0	X		X				0	0	0
FRED JACKSON , PRESIDENT/CEO	40 0	X		X				837,866	0	278,512
PAUL MCDOWELL , VP, FINANCE/CFO	40 0			X				491,187	0	113,352
SHERYL MAHANEY , VP, LEGAL SERVICES/GEN COUNSEL	40 0			X				350,713	0	94,829
JAMES DETHERAGE MD , VP, QUALITY/CQO	40 0			X				309,295	0	103,275
PHILIP FIORET MD , VP, MEDICAL AFFAIRS/CMO	40 0			X				772,045	24,000	143,366
LARRY HIGGINS , VP, LEARNING, HR & SUPPORT	40 0			X				367,408	0	104,107
ROBERT LUCAS , VP, OPERATIONS	40 0			X				302,469	0	78,574
RAMONA THOMPSON , VP, PATIENT SERVICES	40 0			X				186,303	0	61,581
KRISTIE WHITLATCH , VP, HEART & VASCULAR CENTER	40 0			X				367,321	0	93,011
CATHY COOPER-WEIDNER , VP INFORMATION SERVICES/CIO	40 0			X				250,937	0	8,971
PATRICIA CORBITT , VP MARKETING & COMMUNITY SERV	40 0			X				173,507	0	63,683
ANDREA MCKAY , VP AMBULATORY SERVICES	40 0			X				142,080	0	7,564
CLARK BERNARD MD , PHYSICIAN	40 0					X		614,870	0	56,888
JERREL BOYER DO , PHYSICIAN	40 0					X		999,382	0	15,862
JOHN GILBERT DO , PHYSICIAN	40 0					X		403,541	0	25,334
ALFRED SASSLER DO , PHYSICIAN	40 0					X		331,767	0	35,332

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

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
a NET PATIENT SERVICE REVENUE	621,110	511,819,372	511,819,372		
b PHYSICIAN OFFICE RENTAL	531,120	1,661,793	1,661,793		
c DME SALES	446,199	86,636		86,636	
d PHARMACY	446,110	3,491,173	3,418,890	72,283	
e REFERENCE LAB	621,500	58,120		58,120	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 61-0444716
Name: ASHLAND HOSPITAL CORPORATION

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				
KEVIN WILLIS MD	(I)	465,461	0	0	0	0	465,461	0
	(II)	0	0	0	0	0	0	0
FRED JACKSON	(I)	539,040	205,901	92,925	265,981	12,531	1,116,378	0
	(II)	0	0	0	0	0	0	0
PAUL MCDOWELL	(I)	243,435	197,598	50,154	98,785	14,567	604,539	0
	(II)	0	0	0	0	0	0	0
SHERYL MAHANEY	(I)	177,294	143,960	29,459	81,102	13,727	445,542	0
	(II)	0	0	0	0	0	0	0
JAMES DETHERAGE MD	(I)	197,908	75,034	36,353	89,548	13,727	412,570	0
	(II)	0	0	0	0	0	0	0
PHILIP FIORET MD	(I)	491,851	229,053	51,141	127,639	15,727	915,411	0
	(II)	24,000	0	0	0	0	24,000	0
LARRY HIGGINS	(I)	150,819	161,150	55,439	88,914	15,193	471,515	0
	(II)	0	0	0	0	0	0	0
ROBERT LUCAS	(I)	116,940	128,427	57,102	64,847	13,727	381,043	0
	(II)	0	0	0	0	0	0	0
RAMONA THOMPSON	(I)	119,117	46,652	20,534	45,854	15,727	247,884	0
	(II)	0	0	0	0	0	0	0
KRISTIE WHITLATCH	(I)	188,913	141,728	36,680	79,284	13,727	460,332	0
	(II)	0	0	0	0	0	0	0
CLARK BERNARD MD	(I)	599,278	71	15,521	50,000	6,888	671,758	0
	(II)	0	0	0	0	0	0	0
JERREL BOYER DO	(I)	999,046	282	54	6,900	8,962	1,015,244	0
	(II)	0	0	0	0	0	0	0
JOHN GILBERT DO	(I)	367,600	15,282	20,659	11,590	13,744	428,875	0
	(II)	0	0	0	0	0	0	0
ALFRED SASSLER DO	(I)	331,400	282	85	25,000	10,332	367,099	0
	(II)	0	0	0	0	0	0	0
GAMANI THU MD	(I)	175,404	187,792	15,560	10,350	15,744	404,850	0
	(II)	0	0	0	0	0	0	0
CATHY COOPER-WEIDNER	(I)	141,015	50,925	58,997	0	8,971	259,908	0
	(II)	0	0	0	0	0	0	0
PATRICIA CORBITT	(I)	92,645	46,390	34,472	49,939	13,744	237,190	0
	(II)	0	0	0	0	0	0	0