



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization Pikeville Medical Center Inc	D Employer identification number 61-0458376
		Doing Business As	E Telephone number (606) 218-3501
		Number and street (or P O box if mail is not delivered to street address) Room/suite 911 Bypass Road	G Gross receipts \$ 276,525,581
		City or town, state or country, and ZIP + 4 Pikeville, KY 41501	
F Name and address of Principal Officer Walter E May 911 Bypass Road Pikeville, KY 41501		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No (If "No," attach a list See instructions) H(c) Group Exemption Number	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Web site: www.pikevillehospital.org			
K Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> trust <input type="checkbox"/> association <input type="checkbox"/> other		L Year of Formation 1923	M State of legal domicile KY

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities The Center's Mission is TO PROVIDE QUALITY REGIONAL HEALTH CARE IN A CHRISTIAN ENVIRONMENT		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	15
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	6
	5 Total number of employees (Part V, line 2a)	5	1,906
	6 Total number of volunteers (estimate if necessary)	6	242
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	1,243,510
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	33,060	798,720
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	222,346,445	262,139,881
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,373,137	1,033,831
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,221,812	3,367,924
		226,974,454	267,340,356
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	108,677	76,882
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	114,544,422	120,689,771
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b (Total fundraising expenses, Part IX, column (D), line 25 99,793)		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	106,260,192	119,325,042
18 Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	220,913,291	240,091,695	
19 Revenue less expenses Subtract line 18 from line 12	6,061,163	27,248,661	
Net Assets or Fund Balances		Beginning of Year	End of Year
	20 Total assets (Part X, line 16)	209,280,683	249,664,364
	21 Total liabilities (Part X, line 26)	82,967,778	95,340,223
22 Net assets or fund balances Subtract line 21 from line 20	126,312,905	154,324,141	

Part II Signature Block

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

Please Sign Here	***** Signature of officer	2010-08-16 Date
	Michelle Hagy CFO Type or print name and title	

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's PTIN (See Gen Inst)
	Firm's name (or yours if self-employed), address, and ZIP + 4			EIN Phone no

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
 PIKEVILLE MEDICAL CENTER'S Mission IS TO PROVIDe quality regional healthcare in A CHRISTIAN ENVIRONMENT
-
- 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 \$ 65,985,338 including grants of \$ 0) (Revenue \$ 89,852,648)
 AS THE 2009-2010 NATIONAL HOSPITAL OF THE YEAR, PIKEVILLE MEDICAL CENTER (PMC) IS KNOWN FOR THE HIGH QUALITY SURGICAL SERVICES IT PROVIDES TO PATIENTS. PMC SURGICAL SERVICES PERFORMED 13,911 PROCEDURES IN 2009 AND PURCHASED A TOTAL OF \$1,525,295 OF STATE-OF-THE-ART SURGICAL EQUIPMENT FOR THE DEPARTMENT. IN SEPTEMBER 2009 PMC SURGICAL SERVICES INITIATED A NEW SERVICE LINE, BARIATRIC SURGERY, TO HELP COMBAT THE RISING ISSUE OF OBESITY AND DIABETES IN EASTERN KY AND THE SURROUNDING AREAS. In 2009, the BARIATRIC team PERFORMED 50 BARIATRIC PROCEDURES INCLUDING 27 LAPAROSCOPIC BANDINGS, 15 GASTRIC BYPASSES AND 8 REVISIONS OF BARIATRIC PROCEDURES. INCLUDED IN THE \$1,525,295 PREVIOUSLY MENTIONED, PMC PURCHASED \$201,150 OF TECHNOLOGICALLY ADVANCED EQUIPMENT FOR THE NEW BARIATRIC PROGRAM TO BE USED IN THE SURGICAL SERVICES DEPARTMENT. IN 2009 PMC PROVIDED PATIENTS WITH SOME OF THE MOST TECHNOLOGICALLY ADVANCED CARE AVAILABLE. TO FURTHER THE ADVANCEMENT OF PATIENT SAFETY IN THE SURGERY DEPARTMENT, FOURTEEN IMAGE ONE HIGH DEFINITION CRITICAL CARE MONITORS WERE PURCHASED AT A COST OF OVER \$243,000 ALONG WITH A STERRAD STERILIZATION SYSTEM COSTING OVER \$126,000. SURGICAL SERVICES ALSO PURCHASED AN IPULSE CIRCULATORY SUPPORT SYSTEM CONSOLE (\$95,000) AND 2 INTRA AORTIC BALLOON PUMPS (\$83,000) FOR ITS OPEN HEART PROGRAM. THESE NEW PIECES OF EQUIPMENT, ALONG WITH A SKILLED FORCE OF CARDIOTHORACIC SURGEONS AT PMC, PROVIDE PATIENTS WITH WORLD CLASS CARE.

4b (Code) (Expenses \$ 33,552,898 including grants of \$ 0) (Revenue \$ 17,593,793)
 PHYSICIAN PRACTICES. IN 2009 PIKEVILLE MEDICAL CENTER (PMC) WELCOMED NINE NEW PHYSICIANS TO ITS PHYSICIAN PRACTICE TEAM, ONE ANESTHESIOLOGIST, ONE BARIATRIC SURGEON, ONE HOSPITALIST, TWO INTENSIVISTS, ONE INTERVENTIONAL CARDIOLOGIST, ONE ONCOLOGIST, ONE PRIMARY CARE PHYSICIAN, AND ONE REHABILITATION-PHYSIATRIST. THESE NEW ADDITIONS, ALONG WITH OUR PREVIOUSLY EMPLOYED PHYSICIANS, HAD 110,124 PATIENT VISITS IN 2009. THE PMC PHYSICIAN PRACTICE NETWORK INCLUDES PRIMARY CARE, GENERAL AND BARIATRIC SURGERY, ANESTHESIOLOGY, ONCOLOGY, PHYSICAL REHABILITATION, HOSPITAL AND INTENSIVE CARE STAYS, AND CARDIOLOGY. IN ADDITION TO TRADITIONAL PRIMARY CARE THROUGH AN ADVANCED NETWORK OF CUTTING-EDGE ELECTRONIC MEDICAL RECORDS, PMC PHYSICIANS ARE ABLE TO VIEW A PATIENT MEDICAL RECORD INCLUDING LAB RESULTS, X-RAY, CT SCAN AND OTHER DIAGNOSTIC IMAGING REPORTS INSTANTLY WITHIN THE HOSPITAL'S NETWORK OF COMPUTERS. PATIENTS RECEIVE CONTINUUM OF CARE FROM THEIR PRIMARY PHYSICIAN VISIT TO ADVANCED TESTS PERFORMED ON THE HOSPITAL'S MAIN CAMPUS, AND IF NEEDED TO SPECIALTY PHYSICIANS WORKING WITHIN THE HOSPITAL. THE SPEED AND AGILITY WITH WHICH DOCTORS AND NURSES ARE ABLE TO ACCESS CRITICAL MEDICAL INFORMATION SAVES PATIENT'S LIVES.

4c (Code) (Expenses \$ 15,678,091 including grants of \$ 0) (Revenue \$ 24,103,070)
 ONCOLOGY. PIKEVILLE MEDICAL CENTER'S (PMC) LEONARD LAWSON CANCER CENTER (LLCC) OPENED IN 1996 TO PROVIDE CANCER CARE THAT CATERES TO CANCER PATIENTS' SPECIAL NEEDS. THE LLCC PROVIDES THE EASTERN KY AREA WITH SOPHISTICATED TREATMENT METHODS AND A FULL LINE OF SUPPORT SERVICES IN ONE LOCATION. THE LEONARD LAWSON CANCER CENTER OFFERS EACH PATIENT AN INDIVIDUALIZED, AGGRESSIVE TREATMENT PROGRAM THROUGH RADIATION THERAPY, CHEMOTHERAPY, PAIN MANAGEMENT AND OTHER SUPPORT THERAPIES. PMC RECENTLY INVESTED MORE THAN \$7 MILLION DOLLARS TO PURCHASE TWO RAPID ARC LINEAR ACCELERATORS TO TREAT CANCER PATIENTS. THE TREATMENT IN CONJUNCTION WITH ADVANCED CT SCANNING HELPS TO PROVIDE ONCOLOGISTS THE OPPORTUNITY TO PLAN RADIATION TREATMENTS AND ELIMINATE TUMORS WITH PINPOINT PRECISION AND ACCURACY. PMC'S MEDICAL STAFF WHICH INCLUDES THREE MEDICAL ONCOLOGISTS AND ONE RADIATION ONCOLOGIST, ALONG WITH STATE OF THE ART EQUIPMENT, ALLOWS PATIENTS TO RECEIVE THEIR CONSULTATIONS AND CANCER TREATMENTS WITHIN THE SAME FACILITY THUS INCREASING POSITIVE PATIENT OUTCOMES.

(Code) (Expenses \$ 91,121,113 including grants of \$ 76,882) (Revenue \$ 130,590,370)

4d Other program services (Describe in Schedule O)
 (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 206,337,440 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)? <i>If "Yes," complete Schedule A</i> 	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> 		No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i> 	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? <i>If "Yes," complete Schedule C, Part III</i>		
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? <i>If "Yes," complete Schedule D, Part I</i> 		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? <i>If "Yes," complete Schedule D, Part II</i>		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> 		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? <i>If "Yes," complete Schedule D, Part IV</i> 		No
10	Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> 	Yes	
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i> 	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? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i> 		No
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
14a	Did the organization maintain an office, employees, or agents outside of the U S ?		No
14b	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 ? <i>If "Yes," complete Schedule F, Part I</i>		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? <i>If "Yes," complete Schedule F, Part II</i>		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? <i>If "Yes," complete Schedule F, Part III</i>		No
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>		No
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		No
19	Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		No
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i> 	Yes	
21	Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> 	Yes	
22	Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> 	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i> 	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? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25</i>		No
24b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> 		No
25b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i> 		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? <i>If "Yes," complete Schedule L, Part II</i> 		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? <i>If "Yes," complete Schedule L, Part III</i> 		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)? <i>If "Yes," complete Schedule L, Part IV</i>	Yes	
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		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? <i>If "Yes," complete Schedule R, Part I</i>		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		No
36	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		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? <i>If "Yes," complete Schedule R, Part VI</i>		No

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable		
	1a 144		
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?	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return		
	2a 1,906		
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.	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	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)?		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?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?		
6a	Did the organization solicit any contributions that were not tax deductible?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	<i>Organizations that may receive deductible contributions under section 170(c).</i>		
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of \$75 or more?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		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?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	<i>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</i> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	<i>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</i>		
a	Did the organization make any taxable distributions under section 4966?		No
b	Did the organization make a distribution to a donor, donor advisor, or related person?		No
10	<i>Section 501(c)(7) organizations.</i> 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	<i>Section 501(c)(12) organizations.</i> 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	<i>Section 4947(a)(1) non-exempt charitable trusts.</i> Is the organization filing Form 990 in lieu of Form 1041?		
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

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.

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

Section B. Policies

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed _____
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> own website <input type="checkbox"/> another's website <input checked="" type="checkbox"/> upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization Michelle Hagy CFO 911 Bypass Road Pikeville, KY 41501 (606) 218-3974

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	581,451				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	217,269				
g Noncash contributions included in lines 1a-1f \$ _____						
h Total (Add lines 1a-1f)	798,720					
Program Service Revenue	2a Patient Service Revenue	Business Code 621,110	262,139,881	262,139,881		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f ▶ \$ 262,139,881					
Other Revenue	3 Investment income (including dividends, interest other similar amounts)		1,874,793		1,874,793	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties		17,355		17,355	
	6a Gross Rents	(i) Real	383,116			
		(ii) Personal		341,964		
		b Less rental expenses	632,921		228,949	
		c Rental income or (loss)	-249,805		113,015	
	d Net rental income or (loss)		-136,790	-249,805	113,015	
	7a Gross amount from sales of assets other than inventory	(i) Securities			70,712	
		(ii) Other				
		b Less cost or other basis and sales expenses			911,674	
		c Gain or (loss)			-840,962	
d Net gain or (loss)		-840,962		-840,962		
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 Attach Schedule G if total exceeds \$15,000 a						
b Less direct expenses . . . b						
c Net income or (loss) from fundraising events						
9a Gross income from gaming activities See part IV, line 19 Complete Schedule G if total exceeds \$15,000 a						
b Less direct expenses . . . b						
c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances a		8,227,063				
	b Less cost of goods sold . . . b	7,411,681				
	c Net income or (loss) from sales of inventory		815,382	753,579	61,803	
11a Miscellaneous Revenue	other revenue	Business Code 900,099	2,295,061	2,295,061		
	b Advertising income	541,800	376,916	376,916		
	c					
	d All other revenue _____					
	e Total. Add lines 11a-11d ▶ \$ 2,671,977					
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		267,340,356	264,185,137	1,243,510	1,112,989	

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	63,779	63,779		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	13,103	13,103		
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	4,260,590		4,188,524	72,066
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	86,137,831	74,607,612		
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,365,043	1,182,321	182,722	
9	Other employee benefits	23,221,725	20,112,032	3,109,693	
10	Payroll taxes	5,704,582	4,822,520	882,062	
11	Fees for services (non-employees)				
a	Management	2,989,916	2,636,259	353,657	
b	Legal	985,821		985,821	
c	Accounting	156,667		156,667	
d	Lobbying	40,601		40,601	
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	31,423		31,423	
g	Other	9,045,521	5,623,234	3,422,287	
12	Advertising and promotion	980,315	14,439	965,876	
13	Office expenses	38,635,965	37,418,132	1,217,671	162
14	Information technology	1,895,451	1,564,271	329,669	1,511
15	Royalties				
16	Occupancy	3,304,500	2,481,079	821,246	2,175
17	Travel	490,453	363,851	125,879	723
18	Payments of travel or entertainment expenses for any Federal, state or local public officials				
19	Conferences, conventions and meetings	189,259	105,091	84,143	25
20	Interest	2,701,067	2,229,127	469,787	2,153
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	13,467,479	11,114,392	2,342,351	10,736
23	Insurance	4,304,607	4,259,124	42,052	3,431
24	Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	bad debt expense	25,090,149	25,090,149		
b	equipment rental & main	6,068,799	5,824,047	244,752	
c	Miscellaneous	5,698,233	3,564,062	2,127,360	6,811
d	provider tax expense	3,248,816	3,248,816		
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	240,091,695	206,337,440	33,654,462	99,793
26	Joint Costs. Check <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	8,805	1	9,905
	2 Savings and temporary cash investments	53,311,958	2	78,849,793
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	35,844,562	4	35,119,057
	5 Receivables from current and former officers, directors, trustees, key employees or other related parties <i>Complete Part II of Schedule L</i>		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <i>Complete Part II of Schedule L</i>		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	7,417,272	8	8,920,419
	9 Prepaid expenses and deferred charges	2,671,918	9	3,224,185
	10a Land, buildings, and equipment cost basis			
		10a 198,684,948		
	b Less accumulated depreciation <i>Complete Part VI of Schedule D</i>			
		10b 84,104,892	101,677,409	10c 114,580,056
	11 Investments—publicly traded securities		11	
	12 Investments—other securities See Part IV, line 11 <i>Complete Part VII of Schedule D</i>	956,194	12	1,252,548
	13 Investments—program-related See Part IV, line 11 <i>Complete Part VIII of Schedule D</i>		13	
14 Intangible assets		14		
15 Other assets See Part IV, line 11 <i>Complete Part IX of Schedule D</i>	7,392,565	15	7,708,401	
16 Total assets. Add lines 1 through 15 (must equal line 34)	209,280,683	16	249,664,364	
Liabilities	17 Accounts payable and accrued expenses	24,399,677	17	32,107,901
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	37,045,000	20	36,010,000
	21 Escrow account liability <i>Complete Part IV of Schedule D</i>		21	
	22 Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>		22	
	23 Secured mortgages and notes payable to unrelated third parties	13,041,552	23	16,937,193
	24 Unsecured notes and loans payable		24	
	25 Other liabilities <i>Complete Part X of Schedule D</i>	8,481,549	25	10,285,129
	26 Total liabilities. Add lines 17 through 25	82,967,778	26	95,340,223
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	125,981,905	27	154,097,795
	28 Temporarily restricted net assets	125,000	28	20,346
	29 Permanently restricted net assets	206,000	29	206,000
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	126,312,905	33	154,324,141	
34 Total liabilities and net assets/fund balances	209,280,683	34	249,664,364	

Part XI Financial Statements and Reporting

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

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2008

Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

Name of the organization
Pikeville Medical Center inc

Employer identification number
61-0458376

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

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

- 1 A church, convention of churches, or association of churches described in **Section 170(b)(1)(A)(i)**.
- 2 A school described in **Section 170(b)(1)(A)(ii)**. (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **Section 170(b)(1)(A)(iii)**. (Attach Schedule H)
- 4 A medical research organization operated in conjunction with a hospital described in **Section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **Section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **Section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **Section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **Section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **Section 509(a)(2)**. (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **Section 509(a)(4)**. (See instructions)
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **Section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III - Functionally Integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
 (ii) a family member of a person described in (i) above?
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the organizations the organization supports

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

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

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

Public Support

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

Total Support

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

Computation of Public Support Percentage

14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f	15	
16a 33 1/3% Test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% Test - 2007. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% Facts and Circumstances Test - 2008. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% Facts and Circumstances Test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private Foundation. If the organization did not check the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		<input type="checkbox"/>

Part 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 (Subtract line 7c from line 6)						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
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 <input type="checkbox"/>						

Computation of Public Support Percentage

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

Computation of Investment Income Percentage

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

- 19a 33 1/3% Tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- b 33 1/3% Tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

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

Facts and Circumstances Test

Additional Data

Software ID:
Software Version:
EIN: 61-0458376
Name: Pikeville Medical Center inc

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			
Walter blankenship , board member	2 00	X					0	0	0	
TT Colley , board member	2 00	X					0	0	15,605	
david collins CPA , board member	2 00	X					0	0	0	
aaron crum MD , board - chief of staff	2 00	X					150,000	0	0	
dennis halbert MD , board member	4 00	X					0	0	15,605	
judith hinkle , board member	2 00	X					0	0	0	
hobart clay johnson , board member	2 00	X					0	0	0	
john labreche , board member	4 00	X					0	0	255	
alex poulos MD , board member	4 00	X					0	0	15,605	
jo nell robinson , board member	4 00	X					0	0	6,877	
Sue smallwood , board member	4 00	X					0	0	6,877	
mary simpson phd , board member	2 00	X					0	0	0	
john waddell , board member	2 00	X					0	0	0	
lacy puckett , emeritus board member	0 00	X					0	0	0	
walter E May , president/ceo	40 00	X		X			477,489	0	24,319	
ronald burchett , board vice-president	4 00	X		X			0	0	0	
Joe dean anderson , board member - secretary	4 00	X		X			0	0	15,605	
DA nny harris , cfo-vp finance	40 00			X			250,874	0	25,788	
Michelle Hagy , Interim CFO	40 00			X			140,983	0	19,852	
Yisrael safeek MD , vp quality	40 00				X		313,033	0	39,025	
william johnson , chief medical officer	40 00				X		264,377	0	27,136	
Jerry Johnson , chief operating officer	40 00				X		253,391	0	28,286	
terence farrell , vp prof/support services	40 00				X		203,796	0	19,646	
cheryl hickman , assistant to president	40 00				X		181,114	0	26,515	
bernard galla , cio	40 00				X		173,381	0	24,846	
juanita deskins , vp human resources	40 00				X		160,765	0	19,525	
keith hall MD , Orthopedic Surgeon	40 00					X	840,284	0	25,353	
bill harris MD , interventional cardiolog	40 00					X	799,668	0	28,719	
dennis havens MD , Cardiothoracic Surgeon	40 00					X	766,052	0	26,877	
kevin pugh MD , orthopedic Surgeon	40 00					X	757,352	0	17,603	

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-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
tamara musgrave MD , oncologist	40 00					X		699,194	0	17,603

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

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

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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 990-EZ, 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 Pikeville Medical Center inc

Employer identification number

61-0458376

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 function 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

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's internal funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization.

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:		
Not over \$500,000	The lobbying nontaxable amount is: 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?	<input type="checkbox"/> Yes	<input type="checkbox"/> 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)		(b)
	Yes	No	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?	Yes		40,601
i Other activities. If "Yes," describe in Part IV	Yes		12,032
j Total lines 1c through 1i			52,633
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes" enter the amount of any tax incurred under section 4912			
c If "Yes" enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
Part II-B, Line 1i	Explanation of Other Lobbying Activities	Other Activity costs are the corporation's portion of trade dues (i.e. Kentucky Hospital Association)

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Name of the organization Pikeville Medical Center inc

Employer identification number 61-0458376

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.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate contributions, grants, and value, and questions about donor informed status.

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose of easements, number of easements, acreage, and monitoring details.

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.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include questions about reporting art and historical treasures.

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

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	331,000				
b Contributions	479,000				
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs	583,654				
f Administrative expenses					
g End of year balance	226,346				

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

- a** Board designated or quasi-endowment ▶ 0 %
- b** Permanent endowment ▶ 91 000 %
- c** Term endowment ▶ 9 000 %

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)	No
(ii) related organizations	3a(ii)	No
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		4,693,770		4,693,770
b Buildings	5,540,573	91,414,937	30,489,594	66,465,916
c Leasehold improvements		1,127,391	492,827	634,564
d Equipment		86,394,022	53,122,471	33,271,551
e Other		9,514,255		9,514,255
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				114,580,056

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	267,340,356
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	240,091,695
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	27,248,661
4	Net unrealized gains (losses) on investments	4	881,194
5	Donated services and use of facilities	5	-13,965
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-104,654
9	Total adjustments (net) Add lines 4 - 8	9	762,575
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	28,011,236

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	276,495,099
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	881,194
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	8,273,549
e	Add lines 2a through 2d	2e	9,154,743
3	Subtract line 2e from line 1	3	267,340,356
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	0
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	267,340,356

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

1	Total expenses and losses per audited financial statements	1	248,379,209
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	13,965
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	8,273,549
e	Add lines 2a through 2d	2e	8,287,514
3	Subtract line 2e from line 1	3	240,091,695
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	0
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	240,091,695

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Part V, Line 4	Description of Intended Use of Endowment Funds	ATS Construction donated \$125,000 in FY 2008 to be used for the Leonard Lawson Cancer Center. The funds were used to upgrade the Linear accelerator equipment in the cancer center in FY 2009. Received \$479,000 US DEPT OF ENERGY grant in FY 2009. \$458,654 was used to purchase equipment for the cancer center linac leaving a balance at FYE 2009 of \$20,346. \$206,000 is a permanent restricted endowment - Herbert Faber Endowment Fund.
Part X	Description of Uncertain Tax Positions Under FIN 48	Footnote to the organization's financial statement that reports the organization's liability for uncertain tax positions under Fin 48 superseded by FASB codification. In June 2006, the FASB issued new accounting guidance related to accounting for uncertainty in income taxes - an interpretation of a former accounting guidance, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with accounting guidance that set forth guidance related to accounting for income taxes. An uncertain tax position will be recognized if it is determined that it is more likely than not to be sustained upon examination, based on the technical merits of the position. The tax position is measured at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The cumulative effect of applying the provisions of the new accounting pronouncement is to be reported as a separate adjustment to the opening balance of retained earnings in the year of adoption. On February 1, 2008, FASB issued new accounting guidance, which defers the effective date of this new accounting guidance for certain nonpublic enterprises. In accordance with this guidance, the Hospital has elected to defer the adoption for September 30, 2009. The Hospital evaluates uncertain tax positions in accordance with accounting guidance related to accounting for contingencies. The above-mentioned accounting guidance related to accounting for uncertainty in income taxes shall be effective for fiscal years beginning after December 15, 2008. The Hospital is currently in the process of evaluating the impact of adopting the new accounting guidance.
Part XII, Line 2d - Other Adjustments		Expenses reclassified to revenue section 8273549
Part XIII, Line 2d - Other Adjustments		Expenses reclassified to Revenue Section 8273549
		FORM 990, PART IV LINE 12 HAS BEEN CHECKED NO PER 990 INSTRUCTIONS. PART XI, XII, AND XIII ARE NOT REQUIRED AS THE ORGANIZATION IS PART OF A CONSOLIDATED FINANCIAL STATEMENT. THE CONSOLIDATED FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTING FIRM AND PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. However, the organization opted to voluntarily complete these sections.

SCHEDULE H (Form 990)

Hospitals

OMB No 1545-0047

2008

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization Pikeville Medical Center inc

Employer identification number 61-0458376

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

- 1a Does the organization have a charity care policy?
1b If "Yes," is it a written policy?
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals
3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients
3a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals?
3b Does the organization use FPG to determine eligibility for providing discounted care to low income individuals?
4 Does the organization's policy provide free or discounted care to the "medically indigent"?
5a Does the organization budget amounts for free or discounted care provided under its charity care policy?
5b If "Yes," did the organization's charity care expenses exceed the budgeted amount?
5c 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 eligible for free or discounted care?
6a Does the organization prepare an annual community benefit report?
6b If "Yes," does the organization make it available to the public?

Table with 3 columns: Question ID, Yes, No. Rows correspond to questions 1a through 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

Main table with 7 columns: (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. Rows include Charity Care and Means-Tested Government Programs and Other Benefits.

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	0		0			
2 Economic development	1		70		70	
3 Community support	82	1,070	20,540	6,417	14,123	0.010 %
4 Environmental improvements	0		0			
5 Leadership development and training for community members	1		35		35	
6 Coalition building	6		492		492	
7 Community health improvement advocacy	24	96	1,206		1,206	
8 Workforce development	24		492,082		492,082	
9 Other	0		0			
10 Total	138	1,166	514,425	6,417	508,008	0.010 %

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 Healthcare Financial Management Association Statement No. 15?	1	Yes	
2 Enter the amount of the organization's bad debt expense (at cost)	2	5,674,890	
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	283,744	
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	73,565,928
6 Enter Medicare allowable costs of care relating to payments on line 5	6	66,714,055
7 Enter line 5 less line 6—surplus or (shortfall)	7	6,851,873
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: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C—Collection Practices

9a Does the organization have a written debt collection policy?	9a	Yes
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	Yes

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 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

Part III, Line 4 PMC determines the bad debt expense at cost by multiplying the amount of bad debt expense related to patient accounts by the cost to charge ratio for uncompensated care from the Medicare Cost Report, stating bad debt expense at cost To determine the amount of bad debt expense at cost that would have been eligible under the hospital charity care policy, a ratio of 5% is used based upon the amount of applications not returned or incomplete compared to the amount of patients served under charity programs

Part III, Line 9b If determined that a patient might qualify for an indigent program, the patient is sent the required forms to apply for charity assistance When the paperwork is returned by the patient, the application is sent through the approval process If the application is approved, the account balance is then adjusted by the amount allowed by the charity eligibility guidelines

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

Part VI, Line 2 In order to assess our community's health-related needs, Pikeville Medical Center utilizes several reports looking at the services they provide, in comparison to other hospitals, as well as, reports indicating the specialties that are impacted by physician referrals PMC also keeps a record of previous community events hosted, tracking their success For example when a free health screenings is held, a record is kept of the number of attendees including their results

- 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

Part VI, Line 3 Pikeville Medical Center uses several different means to communicate and educate our patients on eligibility for financial assistance under federal, state and local governments First, a handout labeled, "Financial Services and Consultations" is available to every patient upon registration Second, the mandatory consent form has the patient's acknowledgement statement, "I acknowledge receipt of information on DSH, KCHIP, Billing and Insurance Procedures and Aids Questions/Answers " Third, the first bill a patient receives includes a statement regarding how one can contact a counselor, if financial assistance is needed Lastly, the Patient Accounts Staff and Patient Financial Counselors regularly mail out DSH/PMC Charity applications These applications, along with directions, are also automatically printed off when registering a self-pay patient The patient is then directed to our financial counselors for further assistance

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

Part VI, Line 4 Pikeville Medical Center uses the most recent U S Census Bureau data and information from the KY State Data Center when taking into account the geographic area and demographic constituents it serves Information is pulled from our immediate service area, encompassing a seven county region - Pike, Floyd, Letcher, Johnson, Magoffin, Martin Counties in Kentucky and West Virginia's Mingo County All data presented here is current as of the 2000 US Census The seven county area contains a total population of 214,062 individuals Most of these individuals (193,116) live in a rural environment, with a relatively even distribution of males (104,566) to females (109,496) The median population age is 36 4 years old and the average household size is 2 5 individuals Pikeville Medical Center resides in a medically underserved and impoverished area The median family income for our region was \$25,888 in 1999 With 18,974 of the 50,196 children under age 18 living under the poverty line The number of households with an income lower than \$25,000 was 46,443 Pikeville Medical Center serves as a beacon of hope and an economic booster to the mountain community in which it resides The city of Pikeville, KY where the hospital is centered is home to 6,295 individuals Over 25% of the city's residents possess a bachelors degree or higher 32 6% of the city's population works in education, health care or social services

- 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

Part VI, Line 5 The hospital's mission statement, "to provide quality regional health care in a Christian environment," drive PMC's efforts, as we concentrate on the physical, mental and spiritual well being of the public During FY 2009, Pikeville Medical Center reported taking part in 116 different Community Building Activities, affecting over 1,100 people and totaling more than \$16,100 These activities focused on promoting the health and wellness of the communities we serve through health education, awareness, prevention and treatment, as well as, economic development and future planning Some of these events listed under the Community Building Activities section included Pike County Diabetes Partnership meetings, Partnership for a Fit Pike County meetings, the 2009 Wellness Conference, Relay for Life Survivors Reception and Dinner, Head Start Health Advisory meetings, Easter Sunrise Service and Holy Week services, Ray of Hope meetings, Helping Hands meetings and a Christmas Live Nativity

- 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)

Part VI, Line 6 A sparkling diamond among the coalfields of eastern KY, Pikeville Medical Center (PMC) is known for its compassionate employees, unsurpassable service, state-of-the-art technology and unmatched generosity to the community Known as the premiere hospital in a multi-state region, PMC is continually growing and looking for new ways to offer the very best in health care to their patients and the broader population The mission of Pikeville Medical Center is to "provide quality regional health care in a Christian environment " This mission statement is fulfilled on a daily basis, as the staff portrays a sense of teamwork with a sincere passion to help others Throughout Pikeville Medical Center's 85 year history, the hospital has exhibited a substantial change Starting as a small, rural, 50-bed facility at its inception in 1924, the Medical Center has undergone many changes in its physical layout Today, the hospital is a comprehensive medical complex comprised of a 261-bed facility encompassing 926,000 square-feet with both the main facility and surrounding supportive services This tremendous physical growth, along with sound financial leadership, has allowed PMC to significantly expand the health care services offered to our region Current services now include an award-winning, full-service Cancer Treatment Center, Level III Chest Pain Accredited Heart Institute, 40-bed Inpatient Physical Rehabilitation Hospital, an Accredited Stroke Center, Neurosurgery, Level II Neonatal Intensive Care Unit, two satellite Sleep Lab facilities, an Outpatient Diagnostic Center and several hospital run family physician practices As well as augmenting the range and complexity of health care services provided to patients in the area, Pikeville Medical Center's growth has played an integral part in enhancing the hospital's outreach to the local community PMC takes pride in keeping the region informed about innovative medical advancements offered at the facility, primarily through the publication of a weekly newspaper called the Medical Leader, which is distributed free to over 11,000 individuals This distribution includes 6,500 papers placed in local paper boxes in Pike, Floyd, Letcher and Mingo counties and over 4,500 Medical Leader e-subscribers This free full-service newspaper, allowed PMC to give over \$700,000 to the community during FY 2009 PMC also provides a variety of educational, wellness and preventive health activities Such activities and events include indigent care assistance, educational/training sessions, support groups, health fairs, free health screenings and other community events Pikeville Medical Center considers its outreach efforts to the public an essential part of its Christian mission, as it seeks not only to treat the sick and injured during their time of need, but also to improve the region's health care Charity Care Pikeville Medical Center set a record for charity care in FY 2009 Through defined policies and procedures, PMC recorded uncompensated charity of \$25,146,020 (services at hospital's established rates) Health Care Support Services Blood Drives- PMC has a group of dedicated employees who are a part of the hospital's blood drive committee The committee meets before every drive to discuss new ways to promote the event internally and throughout the community and plan the upcoming drive Preparation for blood drives include reserving a location, placing set-up and take-down work orders, registering donors and assuring the event is a success with team participation Blood drives are held quarterly and are conducted in accordance with the Kentucky Blood Center (KBC) In FY 2009, PMC held four blood drives and donated over 277 units of blood These generous donations allowed PMC donors to save nearly 900 lives Compared to other organizations affiliated with the KBC, Pikeville Medical Center ranked 2nd in the state for overall donations Medical Support for Community Events Hillbilly Days First Aid Station - During the 2009 Hillbilly Days Festival held in downtown Pikeville in April, PMC sponsored and staffed a health screening booth while serving the event as the official first aid station During the three-day event, PMC employees screened over 1,000 festival attendees Free screenings included blood pressure, blood sugar and oxygen saturation levels The employees distributed literature related to the prevention and warning signs of cancer, stroke and heart disease Attendees received on-site medical attention and some were sent to the emergency room for additional treatment PMC contributed nearly \$5,000 in volunteers and supplies for this event Community Financial Donations Not only does PMC encourage participation in local activities and events, but it is also generous when it comes to financial support for area organizations and important causes Giving more than \$60,000 in cash donations to the community, PMC was proud to help the following organizations during FY 2009 After Breast Cancer Support Group American Cancer Society American College of Chest Physicians American Red Cross Big Sandy Area Development District Big Sandy Foster/Adopt Association Fund East KY Leadership Conference Helping Hands Hospice of the Bluegrass Jenny Wiley Theatre Kentucky Cancer Program Kentucky Medical Association The Marrow Foundation Mountain Mission School and Choir National Conference of State Legislatures Operation UNITE Pastor Assist Ministries Association Pike County Chamber of Commerce Pikeville Rotary Club 2009 Rotary International District Tri-City Chamber of Commerce The Tug Valley Friendship Foundation Health Screenings Over the course of the past year, PMC held several different types of health screenings for the community Among these health screenings were PMC's four annual cancer screenings held at the Leonard Lawson Cancer Center Cancer screenings include oral, colorectal, skin and prostate All cancer screenings are staffed by PMC physicians and nurses In FY 2009 over 170 people participated in these screenings, costing the hospital nearly \$3,000 PMC also hosted several comprehensive, multi-day health screenings at area schools, Walmart and as a participant at the local 2-day Remote Area Medical (RAM) Screening These screenings included blood pressure, blood sugar, oxygen saturation and cholesterol checks Some of the larger screenings also included EKG and Peripheral Vascular Disease (PVD) tests Diabetes educators were present at all screenings and beneficial health information was handed out PMC referred several participants to family physicians or the emergency room if their results were out of the normal range Other health screenings hosted by PMC included participation in the Big Boy Toy Show, multiple health screenings hosted by Home Health, Stroke Awareness Day, Jenkins Days' Festival, National College's Healthy Fun Fair, as well as, blood pressure screenings and diabetes screenings during National Heart Health & Diabetes Awareness Months This much-needed service to the community cost PMC nearly \$16,000 Free Health Screening Clinic In response to the nation's economic down fall, PMC stepped up to the region's need for free health care and opened a Free Health Screening Clinic opened five days a week, eight hours a day This new service allowed the hospital to reach out to people who were concerned about their health, but unable to afford a doctor's bill The free screenings included blood pressure, glucose, cholesterol, oxygen saturation and EKG screenings For an uninsured patient, having these screenings offered free of charge is equivalent to a savings of \$300/person Through the clinic's operation, PMC was able to give back more than \$116,000 00 to the community Health Care Support Services Meals on Wheels - Pikeville Medical Center provided 7,300 meals for this program during fiscal year 2009 The hospital incurs over \$13,000 in expenses related to this program annually Food Donations - PMC provided lunch and dinner guest trays for more than 240 patients or caregivers during the past year This service allowed PMC to give back over \$7,000 to their patrons Prescription Drugs - At the time of their discharge, several patients need financial assistance with prescribed medications Not wanting to make their pharmacological needs an extra burden, PMC donated over \$35,000 in aid last year General/Self-Help Education Classes Lectures - The staff at PMC remains active in lecturing on many topics throughout the community Representatives from a variety of departments speak, on request to local civic clubs, schools and medical professionals Among the different lectures/presentations PMC staff conducted in FY 2009 were Breast cancer lectures during Breast Cancer Awareness Month See Sch O for Continuation

- 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 communities served

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

Schedule I (Form 990)

OMB No 1545-0047

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

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Name of the organization Pikeville Medical Center inc

Employer identification number 61-0458376

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?
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.

Table with 8 columns: (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, (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Includes entries for U of L foundation, Jenny Wiley Drama Association, and Pike county chamber of commerce.

2 Enter total number of section 501(c)(3) and government organizations
3 Enter total number of other organizations

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
ASSISTANCE FOR UNINSURED PATIENTS FOR PRESCRIPTIONS, CAFE VOUCHERS, AND CANCER TRAVEL ASSISTANCE THERE WERE 271 PRESCRIPTIONS PROVIDED, 371 CAFE VOUCHERS PROVIDED, AND 29 RECIPIENTS OF TRAVEL ASSISTANCE	671	13,103			

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

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 All grants are provided to public charities for general support Pikeville Medical Center, Inc does not monitor the use of these funds by these public charities

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2008

Open to Public Inspection

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.**

Department of the Treasury
Internal Revenue Service

Name of the organization
Pikeville Medical Center inc

Employer identification number
61-0458376

Part I Questions Regarding Compensation

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items
- First class or charter travel
 - Travel for companions
 - Tax idemnification and gross-up payments
 - Discretionary spending account
 - Housing allowance or residence for personal use
 - Payments for business use of personal residence
 - Health or social club dues or initiation fees
 - 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

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

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

- Compensation committee
- Independent compensation consultant
- Form 990 of other organizations
- Written employment contract
- Compensation survey or study
- Approval by the board or compensation committee

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

a Receive a severance payment or change of control payment?

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

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

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

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?

b Any related organization?

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

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

a The organization?

b Any related organization?

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

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

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

	Yes	No
1b	Yes	
2	Yes	
4a	Yes	
4b		No
4c		No
5a	Yes	
5b		No
6a		No
6b		No
7		No
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				
walter E May	(i)	421,309	50,000	6,180	7,972	16,347	501,808	
	(ii)							
DA nny harris	(i)	250,120	400	354	12,446	16,249	279,569	
	(ii)							
Michelle Hagy	(i)	139,725	1,164	94	4,339	15,513	160,835	
	(ii)							
Yisrael safeek MD	(i)	312,210	400	423	22,700	16,325	352,058	
	(ii)							
william johnson	(i)	260,819	400	3,158	10,864	16,272	291,513	
	(ii)							
Jerry Johnson	(i)	248,851	400	4,140	14,931	16,247	284,569	
	(ii)							
terence farrell	(i)	189,752	13,879	165	6,023	15,931	225,750	
	(ii)							
cheryl hickman	(i)	178,666	400	2,048	12,814	15,861	209,789	
	(ii)							
bernard galla	(i)	153,727		19,654	9,039	15,807	198,227	
	(ii)							
juanita deskins	(i)	158,223	400	2,142	4,522	16,941	182,228	
	(ii)							
keith hall MD	(i)	448,744	391,270	270	9,006	16,347	865,637	
	(ii)							
bill harris MD	(i)	798,378		1,290	12,372	16,347	828,387	
	(ii)							
dennis havens MD	(i)	598,441	164,223	3,388	10,559	16,318	792,929	
	(ii)							
kevin pugh MD	(i)	479,321	201,239	76,792	1,256	16,347	774,955	
	(ii)							
tamara musgrave MD	(i)	698,744		450	1,256	16,347	716,797	
	(ii)							
	(ii)							

Software ID:
Software Version:
EIN: 61-0458376
Name: Pikeville Medical Center inc

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				
walter E May	(i) (ii)	421,309	50,000	6,180	7,972	16,347	501,808	
DA nny harris	(i) (ii)	250,120	400	354	12,446	16,249	279,569	
Michelle Hagy	(i) (ii)	139,725	1,164	94	4,339	15,513	160,835	
Yisrael safeek MD	(i) (ii)	312,210	400	423	22,700	16,325	352,058	
william johnson	(i) (ii)	260,819	400	3,158	10,864	16,272	291,513	
Jerry Johnson	(i) (ii)	248,851	400	4,140	14,931	16,247	284,569	
terence farrell	(i) (ii)	189,752	13,879	165	6,023	15,931	225,750	
cheryl hickman	(i) (ii)	178,666	400	2,048	12,814	15,861	209,789	
bernard galla	(i) (ii)	153,727		19,654	9,039	15,807	198,227	
juanita deskins	(i) (ii)	158,223	400	2,142	4,522	16,941	182,228	
keith hall MD	(i) (ii)	448,744	391,270	270	9,006	16,347	865,637	
bill harris MD	(i) (ii)	798,378		1,290	12,372	16,347	828,387	
dennis havens MD	(i) (ii)	598,441	164,223	3,388	10,559	16,318	792,929	
kevin pugh MD	(i) (ii)	479,321	201,239	76,792	1,256	16,347	774,955	
tamara musgrave MD	(i) (ii)	698,744		450	1,256	16,347	716,797	

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2008

Open to Public Inspection

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.

Department of the Treasury Internal Revenue Service

Name of the organization: Pikeville Medical Center inc

Employer identification number: 61-0458376

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

Table with 3 main columns: (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

Table with columns: (a) Name of interested person and purpose, (b) Loan to or from the organization?, (c) Original principal amount, (d) Balance due, (e) In default?, (f) Approved by board or committee?, (g) Written agreement?

Total

Part III Grants or Assistance Benefitting Interested Persons

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

Table with columns: (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.

Table with columns: (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?

Additional Data

Software ID:
Software Version:
EIN: 61-0458376
Name: Pikeville Medical Center inc

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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
VICKI BELL	Daughter-in-law of HOBART JOHNSON, PMC BOARD Member	18,821	Pikeville Medical Center purchases CATERING SERVICES for hospital functions from this vendor		No
COMMUNITY TRUST BANK	Entity of which board members have business relationships	3,706,553	Hobart Johnson and David Collins serve as board members of both entities Services provided by Community Trust Bank to Pikeville Medical Center -INTEREST INCOME BANKING SERVICES & FUNDS IN TRUST, \$1,653,141 - SAVINGS BONDS PURCHASED FOR Employees, \$4,250 -SAFE DEPOSIT BOX FEES/LINE OF CREDIT FEES/BOND ACCT MGMT FEES, \$8,185 - INSTALLMENT LOAN PAYMENTS, \$2,021,477 - Advertising income-medical leader publication solely owned by PIKEVILLE MEDICAL CENTER, \$19,590		No
PIKEVILLE RADIOLOGY	Entity more than 35% owned by two PMC board members	26,846	ALEX POULOS, M D & DENNIS HALBERT, M D are partners of Pikeville Radiology with whom Pikeville Medical Center contracts with for radiology services		No
EAST KY BROADCASTING and East KY Radio Network (Total of 9 Radio Stations)	Entities more than 35% owned by WALTER E MAY, PMC PRESIDENT/CEO	540,027	Entities provide advertising services to PMC, \$527,172 Entities provide advertising income - Medical Leader publication solely owned by Pikeville Medical Center, \$12,855		No
PAM MAY LAW FIRM PSC	Entity more than 35% owned by WIFE OF WALTER E MAY, PMC PRESIDENT/CEO	809,602	Firm provides legal services to Pikeville Medical Center		No
A&M DISTRIBUTING	Entity of which Walter E May's son is an officer	2,592	Pikeville Medical Center purchases beverage products from entity for resale in its grill		No
US BANK	Entity of which Alex Poulos, M D is a board member	358,759	Services provided by US Bank to Pikeville Medical Center - installment loan payments, \$272,507 -bank fees, \$1,541 - rent, \$84,143 -advertising income-medical leader publication solely owned by PMC, \$568		No
MESA-ER PHYSICIAN GROUP	Entity of which Sue Smallwood's step grandson is the Medical Director	489,002	The Grandson of PMC Board Member SUE SMALLWOOD is Pikeville Medical Center Emergency Department Medical DIRECTOR and an Employee for MESA MESA provides Emergency Department physician services for Pikeville Medical Center		No
PIKEVILLE COLLEGE	Entity of which MARY R SIMPSON is director of nursing program	338	PMC Board Member MARY R SIMPSON PHD is the DIRECTOR OF PIKEVILLE COLLEGE NURSING Program Services provided by Pikeville College to Pikeville Medical Center - advertising income-medical leader publication solely owned by PMC		No
ROBERT BELL	Step Son of HOBART JOHNSON, PMC board member	66,302	Employed by pikeville medical center as advertising manager of Medical Leader		No
ANDREA ALLARA	Daughter of JOE DEAN ANDERSON, PMC board member	42,241	employed by pikeville medical center as radiology coordinator		No
KAMINSKI ROBINSON	Husband of JO NELL ROBINSON, PMC board member	68,163	Employed by pikeville medical center as chaplain		No
ASHLEY JOHNSON	Daughter of DAVID COLLINS, PMC Board member	54,606	employed by pikeville medical center as director of leadership training and development		No
COLLEY STEVENS	Grandson of T T COLLEY, PMC board member	23,127	employed by pikeville medical center as manager of security		No
RITA CRUM	Sister-in-law of PMC Board Member AARON CRUM, M D	56,973	employed by pikeville medical center as registered nurse		No
BRANDI MAY	Daughter in law of WALTER E MAY, PMC PRESIDENT/CEO	50,914	employed by pikeville medical center as core measures specialist		No
RANDY JOHNSON	Son in law of WALTER E MAY, PMC PRESIDENT/CEO	60,558	employed by pikeville medical center as chaplain		No

SCHEDULE O
(Form 990)

Supplemental Information to Form 990

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

Name of the organization Pikeville Medical Center Inc	Employer identification number 61-0458376
---	---

Identifier	Return Reference	Explanation
Form 990, Part III, line 4d	Other Program Services	THE MEDICAL COMPLEX OF PIKEVILLE MEDICAL CENTER IS LICENSED FOR 261 PATIENT BEDS AND PROVIDES MORE THAN 300 SERVICES IN MULTIPLE COUNTIES INCLUDED IN THESE SERVICES IS THE REGION'S ONLY LEVEL III CHEST PAIN ACCREDITED HEART INSTITUTE PIKEVILLE MEDICAL CENTER WAS RECOGNIZED IN 2009 AS THE 2009-2010 NATIONAL HOSPITAL OF THE YEAR BY THE AMERICAN ALLIANCE OF HEALTHCARE PROVIDERS PMC'S COMPASSIONATE EMPLOYEES AND DEDICATED DOCTORS PROVIDE UNSURPASSED SERVICE WITH STATE-OF-THE-ART TECHNOLOGY AND UNMATCHED GENEROSITY TO THE COMMUNITY KNOWN AS THE PREMIER HOSPITAL IN A MULTI-STATE REGION, PMC IS CONTINUALLY GROWING AND LOOKING FOR NEW WAYS TO PROVIDE EASTERN KENTUCKY AND THE SURROUNDING AREAS WITH THE MOST ADVANCED HEALTH CARE AVAILABLE THE BOARD OF DIRECTORS, MORE THAN 200 PHYSICIANS AND 1,800 EMPLOYEES OF PMC BELIEVE IN THE MISSION OF THE HOSPITAL TO "PROVIDE QUALITY REGIONAL HEALTHCARE IN A CHRISTIAN ENVIRONMENT" PMC'S BOARD CERTIFIED RADIOLOGISTS ARE EXPERTS WHO CONSULT WITH SPECIALISTS IN OTHER DEPARTMENTS TO PROVIDE CARE TO EVERY PATIENT EVERY DAY RADIOLOGISTS WORK WITH STATE-OF-THE-ART EQUIPMENT, SKILLED TECHNOLOGISTS AND NURSES, TO PERFORM TESTS AND INTERPRET RESULTS IN THE IMAGING AND TREATMENT OF DISEASE AFFECTING PATIENTS OF ALL AGES WITH NEW DIGITAL IMAGING TECHNOLOGIES SUCH AS DIGITAL X-RAYS AND THE PACS IMAGE ARCHIVING SYSTEM, TURN-AROUND TIMES HAVE BEEN GREATLY REDUCED, AND, IN MANY CASES, ALMOST TOTALLY ELIMINATED RECENT DEVELOPMENTS ALSO INCLUDE THE PACS SYSTEM, DIGITAL MAMMOGRAPHY, DIGITAL X-RAYS, 264 SLICE CT SCANNERS, A 128 SLICE CT SCANNER AND PET SCANNER PET (POSITRON EMISSION TOMOGRAPHY) SCAN IS RAPIDLY BECOMING A MAJOR DIAGNOSTIC IMAGING TOOL USED PREDOMINANTLY IN DETERMINING THE PRESENCE AND SEVERITY OF CANCERS, NEUROLOGICAL CONDITIONS, AND CARDIOVASCULAR DISEASE PET IMAGES DEMONSTRATE THE CHEMISTRY OF ORGANS AND OTHER ISSUES SUCH AS TUMORS IT IS CURRENTLY THE MOST EFFECTIVE WAY TO CHECK FOR CANCER RECURRENCES IN ADDITION, THE DIAGNOSTIC CENTER, CONVENIENTLY LOCATED JUST STEPS FROM THE HOSPITAL NEAR THE CORNER OF BYPASS ROAD AND BAIRD AVENUE, FEATURES STAND-UP MRI, AND IS A CONVENIENT LAB STATION FOR PATIENTS JUST NEEDING TO STOP BY FOR LAB WORK PIKEVILLE MEDICAL CENTER'S INPATIENT PHYSICAL REHABILITATION (IPR) HOSPITAL A STATE OF THE ART FACILITY CONSISTING OF 40 BEDS AND COVERING 23,000 SQUARE FEET OF SPACE WHICH INCLUDES A DINING HALL, FULLY EQUIPPED KITCHEN AND LAUNDRY FACILITIES THE PMC IPR HOSPITAL IS DEDICATED TO HELPING PATIENTS WHO ARE DISABLED BY DISEASE OR INJURY FOR PATIENTS NEEDING INTENSIVE REHABILITATION, PMC'S INPATIENT REHABILITATION'S PHYSICIAN LED TEAM OFFERS A FULL RANGE OF SERVICES FROM PHYSICAL, OCCUPATIONAL, AND SPEECH THERAPISTS, REHABILITATION NURSES, CASE MANAGERS, SOCIAL WORKERS, DIETITIANS, AND OTHER PROFESSIONALS THE TEAM WORKS WITH THE PATIENTS AND THEIR FAMILIES TO DESIGN AND EXECUTE A CAREFULLY MONITORED TREATMENT PLAN THAT MEETS EACH INDIVIDUAL PATIENT'S NEEDS THE GOAL OF PMC'S INPATIENT REHABILITATION HOSPITAL IS TO RETURN THE PATIENT HOME OR BACK TO WORK AS SOON AS POSSIBLE FOLLOWING AN ILLNESS OR ACCIDENT ALLOWING THEM TO REGAIN THE HIGHEST LEVEL OF INDEPENDENCE POSSIBLE IN 2009 PMC OPENED A FREE HEALTH SCREENING CENTER PATIENTS WERE PROVIDED WITH BASIC CHOLESTEROL, GLUCOSE AND CARDIOLOGICAL TESTS PMC INVESTED OVER \$115,000 DIRECTLY RELATED TO SERVING PATIENTS AT THE FREE SCREENING CENTER WITH THE ONSET OF THE FLU SEASON AND THE H1N1 EPIDEMIC, PIKEVILLE MEDICAL CENTER TRANSFORMED THE SCREENING CENTER INTO A REGIONAL FLU CENTER WHERE PATIENTS WITH FLU-LIKE SYMPTOMS COULD BE SEEN QUICKLY WITHOUT A TRIP TO THE HOSPITAL OR A PHYSICIAN'S OFFICE IT IS PMC'S VISION TO BE THE PREFERRED REGIONAL PROVIDER OF COMPREHENSIVE HEALTH SERVICES THROUGHOUT THE CONTINUUM OF CARE TO ACHIEVE THIS VISION PMC STRIVES TO PROVIDE CUSTOMER ORIENTED SERVICE WITH QUALITY CARE, PROVIDE SERVICES TO RESPOND TO PATIENTS' NEEDS IN THE REGION, AND ENSURE FISCALLY SOUND, COST-EFFECTIVE OPERATIONS RESULTING IN AFFORDABLE CARE AND ACCESS TO A FULL RANGE OF HEALTH SERVICES THE HOSPITAL EMBRACES THE CORE VALUES OF A CHRISTIAN ATMOSPHERE, QUALITY CARE, PROGRESSIVE LEADERSHIP, SERVICE TO OTHERS AND TEAMWORK WITHIN THE ORGANIZATION Expenses \$ 91121113 including grants of \$ 76882 Revenue \$ 130590370

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 2		Dr Alex Poulos & Dr Dennis Halbert partners in Pikeville Radiology Hobert Johnson & David Collins members of Community Trust Bank Board of Directors

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		The organization is organized as a nonprofit corporation with a board of directors

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 10		The process of reviewing the Form 990 entails a detailed review by the CFO and Hospital Attorney Additionally, The governing body reviews and approves the final Form 990 including requested schedules prior to filing Copies are provided to each voting member of the organization's governing body upon request

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		As to Board Members, updates to the Conflict of Interest forms are completed annually with voluntary disclosure of conflict on any particular issue There is no participation, discussion or vote taken on these, however, the Board Attorney is provided a copy of all interests of each member to ensure compliance with the policy These are regularly and consistently monitored for any changes As to employees, there is a written conflict of interest policy which too is regularly and consistently monitored and enforced by Human Resources and Administration as necessary This policy is intended to identify and resolve conflicts of interest which may occur related to financial, business, or professional interests The policy is in place to identify and resolve a conflict of interest which may occur any time there is a situation in which one's ability to make objective, job related business decisions may be influenced by, or have the appearance of being influenced by, outside activities or personal interests Potential conflicts of interest may include, but are not limited to, the following 1 Working a second job at a competing healthcare entity which may allow the transfer of confidential business information or influence referral patterns 2 Allowing the demands of outside activities to hinder or distract you from the performance of your job or cause you to use Pikeville Medical Center Resources for other than Pikeville Medical Center purposes 3 Holding an ownership interest, management, or board of directors position in a company with whom Pikeville Medical Center does business which may lead to the individual's personal gain/benefit "Ownership interest" means serving as a board director or officer or owning more than 5% of the business or corporation 4 Having an immediate family member or significant other who holds an ownership interest in a company with whom Pikeville medical Center does business which may lead to the individual's personal gain/benefit "Ownership interest" means serving as a board director or officer or owning more than 5% of the business or corporation 5 Having an immediate family member or significant other employed by the Pikeville Medical Center and working within the same direct line of authority (above or below) as the first employee Immediate family members include spouses, children, grandchildren, brothers and sisters and the spouses of those individuals The scope of this policy includes Pikeville Medical Center and all its departments and services wherever located The covered individuals are to follow these procedures 1 All licensed clinical staff, supervisors, and management personnel shall complete a duality and conflict of interest form at the time of initial employment and annually thereafter 2 Employee conflict of interest forms shall be filed in their personnel files 3 In the event that an employee's job description or duties requires a business related decision to be made in an area in which a personal conflict of interest has been identified, the employee shall notify his/her supervisor to arrange for an alternative decision making process which will maintain objectivity and eliminate personal bias, i.e. personal withdrawal from the decision making process, solicitation of closed bids, or utilization of an independent selection committee 4 If an actual, apparent, or potential conflict of ethics is identified involving patient care or treatment, the employee should seek assistance from their supervisor in seeking a resolution which would have minimum impact on patient care, treatment, or services

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		The Compensation committee reviews and approves the salary of the organization's CEO and key employees The committee uses comparative data from other organizations' Form 990 and salary surveys Motion and approvals from the committee are kept in the minutes

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		The organization does make the financial statements available to the public upon request

Identifier	Return Reference	Explanation
Part XI, Line 2b and 2c	Audited Financial Statements and Oversight	The organization has answered no to Part XI, line 2b as directed by the Form 990 instructions The organization is part of a consolidated financial statement The consolidated financial statements are audited by an independent accounting firm and prepared in accordance with general accepted accounting principles In addition the board of directors assumes responsibility for oversight of the audit of the financial statements and selection of the independent accountant No processes have changed from prior year

Identifier	Return Reference	Explanation
Sch H, Part VI, Line 6	Continuation of how Organization furthers its exempt purpose	Diabetes lecture to the Pike County Board of Education Family Medicine/OMT lectures to the Pikeville College School of Osteopathic Medicine (PCSOM) Leonard Lawson Cancer Center representative presents to a variety of local organizations about the importance of getting screened and the affects of cancer Selected PMC health care representatives participate on local radio and television shows to speak about health care concerns and services provided by PMC Other Educational Programs - Other PMC departments also hold health education as a top priority and offer various programs for community participation Among these programs are Breast Cancer Awareness Education Nutrition Education & Counseling for Cardiac Rehab Patients Child Birth/Family Planning Classes Health Professions Education Student Rotations- PMC serves as a clinical training site for students in health care related fields from regional universities and colleges During FY 2009, PMC contracted with 31 schools and received 747 students in clinical rotation The schools contracted by PMC included Appalachian College of Pharmacy Belfry Area Technology Center Bellarmine University Eastern Kentucky University (EKU) Huntington Junior College Hutchinson Community College Jefferson College of Health Sciences Kentucky Community and Technical College System (KCTCS) Lindsey Wilson College Marietta College Milligan College Morehead State University State National College of Business Northern Kentucky University Nova Southeastern University Phlebotomy Education, Inc Pikeville College South University School of Pharmacy Southern West Virginia Community and Technical College (SWCTC) Southwest Virginia Commonwealth University Spencerian College Tennessee Technology Center at Elizabethton University of Charleston University of Cincinnati University of Kentucky (UK) University of Louisville Virginia Commonwealth University School of Allied Health and Professions Dept of Nurse Anesthesia Washburn University Weber State University West Virginia University Board of Governors on behalf of WV University (School of Medicine) Department of Human Performance and Applied Exercise Science Western Kentucky University Residency Program-A-Optic (Appalachian Osteopathic Postgraduate Training Institute Consortium) Pikeville Medical Center is a member of a group of medical facilities that have joined together to bring intern and residency programs to the area By allowing medical students to practice at their hospital-run, family clinic, PMC is committed to help educate and retain competent/skilled physicians in our community and region PMC's total community benefit expense in FY 2009 for training interns, residents and fellows totaled more than \$831,738 Physician Recruitment - Pikeville Medical Center maintains an active physician recruitment program by locating high quality physicians and making them a part of the PMC team The hospital's recruitment efforts are essential to enhancing the health and well being of our community and region Surrounding community hospitals look to our hospital to offer the specialties and sub-specialties their facilities do not provide Pikeville Medical Center recruited and signed a total of 18 physicians during FY 2009 Among the different specialties these physicians practice are Anesthesia Bariatric Surgery Cardiology Critical Care Family Practice Hospitalists Oncology and Palliative Care Pediatrics Psychiatry Pulmonary/Critical Care Radiology Vascular Surgery Continuing Health Professionals Education - Pikeville Medical Center has an active Medical Library staff that coordinates and oversees many of the Continuing Medical Education (CME) hours offered at the hospital Most CMEs are open to not only our staff, but to other medical professionals community These education opportunities are free of charge to all who attend PMC spent nearly \$11,000 on CMEs in FY 2009 The education opportunities offered by the hospital last year covered numerous topics including Prostate Cancer Pain Management Severe Obesity Lung Cancer Diabetes Recurrent Stroke Prevention Support Groups PMC sponsors and provides meeting space for several support groups within our community In 2009, more than \$6,000 went towards benefiting the following groups ABC/After Breast Cancer Support Group Stroke Support Group Diabetes Support Group AI-Anon Alcoholics Anonymous Narcotics Anonymous Smoking Cessation Class Lifeline PAST Program

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2008

**Open to Public
Inspection**

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

Department of the Treasury
Internal Revenue Service

Name of the organization
Pikeville Medical Center inc

Employer identification number

61-0458376

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

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) Disproportionate allocations?		(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner?	
							Yes	No		Yes	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
pikeville medical center foundation inc 911 bypass road pikeville, KY41501 61-1274046	Inactive	KY	N/A	C		47,957	100 000 %
PIKEVILLE mEDICAL DEVELOPMENT CORPORATION 911 bypass road PIKeville, KY41501 20-2487928	INACTIVE	KY	N/A	C	19	8,415	100 000 %

Part V Transactions with Related Organizations

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)

- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)

- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees

- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses

- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m		No
1n		No
1o		No
1p		No
1q		No
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

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

