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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

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

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
Beebe Medical Center Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
424 Savannah Road

City or town, state or country, and ZIP + 4
Lewes, DE 19958

D Employer identification number
51-0067938

E Telephone number
(302) 645-3300

G Gross receipts $ 357,887,695

F Name and address of principal officer
JEFFREY FRIED
424 SAVANNAH ROAD
LEWES, DE 19958

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ HTTP //WWW BEEBEMED ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1916 | **M** State of legal domicile DE

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
SEE ATTACHMENT 3

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	24
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	17
5	Total number of employees (Part V, line 2a)	5	1,921
6	Total number of volunteers (estimate if necessary)	6	343
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	

		Prior Year	Current Year
Revenue 8	Contributions and grants (Part VIII, line 1h)	5,203,312	6,409,556
9	Program service revenue (Part VIII, line 2g)	234,568,832	241,637,981
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-10,573,828	8,891,743
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,328,526	2,677,210
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	234,526,842	259,616,490
Expenses 13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	518,268	611,738
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	105,731,205	114,130,680
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	123,613,566	129,607,203
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	229,863,039	244,349,621
19	Revenue less expenses Subtract line 18 from line 12	4,663,803	15,266,869

		Beginning of Current Year	End of Year
Net Assets or Fund Balances 20	Total assets (Part X, line 16)	273,797,240	268,794,364
21	Total liabilities (Part X, line 26)	162,240,029	160,074,618
22	Net assets or fund balances Subtract line 21 from line 20	111,557,211	108,719,746

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date: 2011-05-16

▶ JAMES W BARTLE CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ | Date | Check if self-empolyed ▶ ☐ | Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ PricewaterhouseCoopers LLP
2001 MARKET ST SUITE 1700
PHILADELPHIA, PA 19103

EIN ▶

Phone no ▶ (267) 330-3000

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

BEEBE MEDICAL CENTER'S CHARITABLE MISSION IS TO ENCOURAGE HEALTHY LIVING, PREVENT ILLNESS AND RESTORE OPTIMAL HEALTH WITH THE PEOPLE RESIDING, WORKING AND VISITING IN THE COMMUNITIES WE SERVE BEEBE MEDICAL CENTER PROVIDES HEALTHCARE SERVICES REGARDLESS OF RACE, CREED, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 205,166,823 including grants of $ 547,708) (Revenue $ 239,465,651)

General Medical Surgical Patient care Beebe Medical Center experienced 9,077 discharges in 2010 resulting in 36,882 patient days of which 5,160 discharges and 23,812 patient days were covered under the Medicare program The Medicaid program covered 1,209 discharges and 4,205 patient days Additional volumes achieved in 2010 include 50,906 emergency visits, 11,723 operating room cases of which 150 were open heart surgeries, 7,880 cardiac catheterization procedures, and 105,950 outpatient imaging procedures Total Self-Pay patient days were 1,130 and Self-Pay discharges were 323 in 2010

4b (Code) (Expenses $ 1,815,306 including grants of $) (Revenue $ 2,172,330)

Beebe Home Health program covers eastern Sussex County In 2010 BHHA admitted 1,105 new patients and had an active case load of 2,076 patients There was a total of 13,931 visits during the year

4c (Code) (Expenses $ 1,717,955 including grants of $ 64,030) (Revenue $ 295,981)

Beebe School of Nursing had 21 students enrolled as freshmen and 33 students enrolled in their second year of nursing

4d Other program services (Describe in Schedule O) **See also Additional Data for Description**
(Expenses $ 1,876,245 including grants of $) (Revenue $ 301,113)

4e **Total program service expenses** ▶ $ 210,576,329

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	Is the organization's answer to any of the following questions "Yes"? *If so,complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.*	11	Yes	
	● Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*			
	● Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	● Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	● Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	● Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	● Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional* (Yes / No)	12A	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**	Yes	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	**1a**	171		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	1,921		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note:** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)		**2b**	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		**3a**		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		**3b**		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		**7f**		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		**7g**		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		**8**		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		**9b**		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**			

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body	1a	24		
b	Enter the number of voting members that are independent	1b	17		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2 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?			3	No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?			4	No
5	Did the organization become aware during the year of a material diversion of the organization's assets?			5	No
6	Does the organization have members or stockholders?			6	No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?			7a	No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?			7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?			8a Yes	
b	Each committee with authority to act on behalf of the governing body?			8b Yes	
9	Is there any officer, director, 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			9	No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a	Yes	
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	Yes	
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14		No
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

JOHN MCNEMAR
424 SAVANNAH ROAD
LEWES, DE 19958
(302) 645-3534

Part VII Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See add'l data										

1b Total . . . . . ▶	4,463,177	0	405,396

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 116

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
DELAWARE ANESTHESIA ASSOCIATES 424 SAVANNAH ROAD LEWES, DE 19958	ANESTHESIA SERVICES	3,023,312
MCKESSON TECHNOLOGIES PO BOX 98347 CHICAGO, IL 60693	INFO SYSTEM CONSULT	2,415,013
MAYO MEDICAL LABORATORY PO BOX 9146 MINNEAPOLIS, MN 55480	LABORATORY services	1,377,368
SODEXO INC AFFILIATES 500 ROSS ST 154-0455 PITTSBURGH, PA 15262	PLANT ENG & HOUSEKPG	1,340,943
MTM TECHNOLOGIES PO BOX 27986 NEW YORK, NY 10087	INFO SYSTEM CONSULT	1,331,017
2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 53		

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	5,338,762			
	e	Government grants (contributions)	1e	1,016,781			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	54,013			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		6,409,556			
Program Service Revenue			Business Code				
	2a	GENERAL MEDICAL SURGICAL	900,099	239,465,651	239,465,651		
	b	HOME HEALTH	621,610	2,172,330	2,172,330		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		241,637,981			
	3	Investment income (including dividends, interest and other similar amounts)		1,691,590			1,691,590
	4	Income from investment of tax-exempt bond proceeds		-18,755			-18,755
	5	Royalties		0			

		(i) Real	(ii) Personal				
6a	Gross Rents	281,118					
b	Less rental expenses						
c	Rental income or (loss)	281,118					
d	Net rental income or (loss)			281,118			281,118

		(i) Securities	(ii) Other				
7a	Gross amount from sales of assets other than inventory	105,468,713	21,400				
b	Less cost or other basis and sales expenses	98,254,076	17,129				
c	Gain or (loss)	7,214,637	4,271				
d	Net gain or (loss)			7,218,908			7,218,908
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events		0			
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory		0			
	Miscellaneous Revenue		Business Code				
	11a	CAFETERIA	900,099	883,208			883,208
	b	PREMIER DISTRIBUTION	900,099	427,399			427,399
	c	OTHER	900,099	866,824	378,433		488,391
	d	All other revenue		218,661	218,661		
	e	**Total.** Add lines 11a–11d		2,396,092			
	12	**Total revenue.** See Instructions		259,616,490	242,235,075		10,971,859

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	547,708	547,708		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	64,030	64,030		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	2,899,299	858,065	2,041,234	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	81,136,901	74,897,449	6,239,452	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	4,258,633	3,878,647	379,986	0
9	Other employee benefits	19,900,530	18,124,860	1,775,670	0
10	Payroll taxes	5,935,317	5,364,640	570,677	0
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	1,196,561	7,065	1,189,496	0
c	Accounting	234,440	0	234,440	0
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17*	0			
f	Investment management fees	362,626	0	362,626	0
g	Other	16,172,742	12,745,032	3,427,710	0
12	Advertising and promotion	1,057,002	17,980	1,039,022	0
13	Office expenses	53,827,091	53,127,850	699,241	0
14	Information technology	5,226,205	1,232,897	3,993,308	0
15	Royalties	0			
16	Occupancy	6,149,515	5,962,586	186,929	0
17	Travel	132,556	126,600	5,956	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	378,523	250,469	128,054	0
20	Interest	3,530,525	2,555,131	975,394	0
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	16,636,346	13,000,060	3,636,286	0
23	Insurance	2,108,809	2,108,809	0	0
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	10,483,328	10,483,328	0	0
b	LITIGATION PROVISION	5,660,000	0	5,660,000	0
c	MAINTENANCE	5,044,243	4,791,994	252,249	0
d	EMPLOYEE RECRUITMENT	538,612	820	537,792	0
e	DUES	434,383	120,846	313,537	0
f	All other expenses	433,696	309,463	124,233	0
25	**Total functional expenses.** Add lines 1 through 24f	244,349,621	210,576,329	33,773,292	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		13,807,606	2	12,303,283
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		26,697,302	4	28,437,834
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		840,000	7	840,000
	8	Inventories for sale or use		5,398,017	8	5,824,103
	9	Prepaid expenses and deferred charges		1,398,956	9	1,350,732
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 266,081,964			
	b	Less accumulated depreciation	10b 131,153,876	131,406,880	10c	134,928,088
	11	Investments—publicly traded securities		74,586,853	11	65,442,343
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		3,488,095	14	3,104,085
	15	Other assets See Part IV, line 11		16,173,531	15	16,563,896
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		273,797,240	16	268,794,364
Liabilities	17	Accounts payable and accrued expenses		37,227,140	17	43,589,578
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		80,930,000	20	59,525,000
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		44,082,889	25	56,960,040
	26	**Total liabilities.** Add lines 17 through 25		162,240,029	26	160,074,618
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		107,891,071	27	102,346,300
	28	Temporarily restricted net assets		2,523,673	28	5,121,461
	29	Permanently restricted net assets		1,142,467	29	1,251,985
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		111,557,211	33	108,719,746
	34	Total liabilities and net assets/fund balances		273,797,240	34	268,794,364

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Beebe Medical Center Inc

Employer identification number
51-0067938

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **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).**

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

h Provide the following information about the supported organization(s)

(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? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
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.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2008 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2008.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 through 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 $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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** ▶

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15
16	Public support percentage from 2008 Schedule A, Part III, line 15	16

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2009** (line 10c column (f) divided by line 13 column (f))	17
18	Investment income percentage from **2008** Schedule A, Part III, line 17	18

19a **33 1/3% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33 1/3% support tests—2008.** 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.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- 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), then

- 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) or Form 990-EZ, line 35a (regarding proxy tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
Beebe Medical Center Inc	51-0067938

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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 Complete if the organization is exempt under section 501(c)(3).

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 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 Complete if the organization is exempt under section 501(c) except section 501(c)(3).

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 funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 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 For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

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		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(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 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		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?	Yes		265
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			265
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
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 Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			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 Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	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
SCHEDULE C, PART II-B, LINE 1G		THE PRESIDENT OF BEEBE MEDICAL CENTER HAS QUARTERLY BREAKFAST MEETINGS WITH STATE AND LOCAL POLITICIANS

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Beebe Medical Center Inc

Employer identification number
51-0067938

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV 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 the arrangement in Part XIV and complete the following table

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

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	61,285,071	73,575,651			
b Contributions	4,000,000	2,006,685			
c Investment earnings or losses	9,572,221	-13,373,799			
d Grants or scholarships					
e Other expenditures for facilities and programs	37,995,956	662,343			
f Administrative expenses	362,626	261,123			
g End of year balance	36,498,710	61,285,071			

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

- a Board designated or quasi-endowment ▶ **97.000 %**
- b Permanent endowment ▶ **2.000 %**
- c Term endowment ▶ **1.000 %**

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) Accumulated depreciation	(d) Book value
1a Land		14,634,172		14,634,172
b Buildings		136,264,092	54,871,427	81,392,665
c Leasehold improvements		1,791,671	252,668	1,539,003
d Equipment		109,846,214	76,029,781	33,816,433
e Other		3,545,815		3,545,815
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				134,928,088

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

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

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

(a) Description	(b) Book value
NET DEFERRED FINANCING COSTS	821,216
DEFERRED COMPENSATION	765,621
EQUITY IN BEEBE PHYS NETWORK	303,940
FOUND INT UNREST NET ASSETS	4,192,776
FOUND INT REST NET ASSETS	5,329,043
MISCELLANEOUS RECEIVABLES	72,500
TEMPORARILY RESTRICTED FUNDS	488,016
PERMANENTLY RESTRICTED FUNDS	301,190
WORK COMP & MALP INS RECVBLE	4,289,594
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	16,563,896

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
ACC POST RETIREMENT BENEFIT	25,531,522
DEFERRED COMPENSATION OBLIG	2,034,843
NET CAPITAL LEASE OBLIGATIONS	601,110
ACCRUED PENSION LIABILITY	17,176,362
ACCRUED MEDICAL MALPRACTICE	1,621,133
ACC WORKERS COMP LIABILITY	995,030
ASBESTOS REMOVAL OBLIGATION	2,604,957
LITIGATION SETTLEMENT	5,660,000
UNAMORTIZED BOND PREMIUM	735,083
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	56,960,040

2. Fin 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	

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

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, 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 Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
SCHEDULE D, PART V, LINE 4		BEEBE MEDICAL CENTER USES ITS ENDOWMENT FUNDS FOR CAPITAL ASSET ACQUISITIONS AND TO SUPPORT THE OPERATIONS OF THE MEDICAL CENTER

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990.
▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Beebe Medical Center Inc

Employer identification number
51-0067938

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			15,634,040	8,752,937	6,881,103	2 940 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			26,469,861	23,918,628	2,551,233	1 090 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			42,103,901	32,671,565	9,432,336	4 030 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			2,119,579	787,100	1,332,479	0 570 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			7,197,754		7,191,754	3 070 %
h Research (from Worksheet 7)			183,026	37,100	145,926	0 060 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			126,911		126,911	0 050 %
j **Total** Other Benefits			9,627,270	824,200	8,797,070	3 750 %
k **Total.** Add lines 7d and 7j			51,731,171	33,495,765	18,229,406	7 780 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members			91,629		91,629	0 040 %
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development			2,895,977		2,895,977	1 240 %
9	Other						
10	**Total**			2,987,606		2,987,606	1 280 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	2	4,321,932		
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	0		
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, and 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	89,658,232		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	124,528,136		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-34,869,904		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ 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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
BEEBE MEDICAL CENTER 424 SAVANNAH ROAD LEWES, DE 19958	X	X					X		
GEORGETOWN IMAGINGLAB 20163 OFFICE CIRCLE GEORGETOWN, DE 19947									IMAGING CENTER & LAB DRAWS
BEEBE LAB EXPRESS 32060 LONG NECK ROAD MILLSBORO, DE 19966									LAB DRAWS,WOUND CARE
MILLSBORO LABREHAB 232 MITCHELL STREET MILLSBORO, DE 19966									IMAGING CENTER, LAB DRAWS,REHABILITATION THERAPY
MILLVILLE IMAGINGLAB 203 ATLANTIC AVENUE MILLVILLE, DE 19967									IMAGING CENTER,LAB DRAWS,REHABILITATION THERAPY
MILLVILLE ED 205 ATLANTIC AVENUE MILLVILLE, DE 19967								X	EMERGENCY CENTER
MILTON LAB EXPRESS 614 Mulberry Street MILTON, DE 19968									LAB
BEEBE OUTPATIENT SERVICE CENTER 18941 JOHN J WILLIAMS HIGHWAY REHOBOTH BEACH, DE 19971									OUTPATIENT SURGERY IMAGING, LAB, REHABILITATION
TUNNELL CANCER CENTER 18947 JOHN J WILLIAMS HIGHWAY REHOBOTH BEACH, DE 19971									CANCER CENTER, SLEEP LAB
BEEBE HOME HEALTH 20232 ENNIS ROAD GEORGETOWN, DE 19947									HOME HEALTH AGENCY
BEEBE SCHOOL OF NURSING 420 MARKET STREET LEWES, DE 19958									CERTIFIED NURSING SCHOOL
GULL HOUSE 38149 TERRACE ROAD REHOBOTH BEACH, DE 19971									ADULT DAY CARE
BEEBE ENDOSCOPY CENTER 33633 SAVANNAH ROAD LEWES, DE 19958									ENDOSCOPY CENTER

Part VI Supplemental Information

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

See additional data

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

Part VI, Item 2 Beebe Medical Center has various methods for assessing the health status of the communities it serves o Community-based Board of Directors o Community Health Committee of the Board of Directors o Non-director members of the Community Health Committee, Building and Equipment Committee, and Quality and Safety committee o Consumer Perception Survey o Neighbors' Committee o Patient Family Advisory Council o Press-Ganey patient satisfaction survey o Public data o Community focus groups

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, Item 3 All inpatient self pay patients are presented with a financial assistance information package during the hospital stay A letter is sent on the 3rd day after billing, outlining charity eligibility guidelines Self pay accounts in which patient is not eligible to participate in a payment contract are counseled by financial assistance representatives Charity and financial assistance policy is published on the hospital website Statements on accounts have messages informing patients to contact the hospital if in need of financial assistance

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

See additional data

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, Item 5 Community building activities include interpretation services to support increasing Hispanic population Providing mentors in conjunction with colleges and high schools in the area for students pursuing nursing/healthcare careers Recruitment and retention of physicians in underserved areas relative to community needs assessment

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, Item 6 Community information o 24-member Board of Directors with only one Management representative o Non-discrimination policy regarding the delivery of healthcare, including a policy against discrimination based upon ability to pay o Generous charity policy with eligibility up to 400% of federal poverty level o Community health screenings and education programs at no cost o All net income is reinvested for the purpose of expanding medical services to the community

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

Beebe Medical Center is a member of an affiliated health care system that includes Beebe Physician Network (BPN), a not-for-profit tax-exempt corporation that operates a physician network providing integrated physician services in coordination with the Medical Center Beebe Medical Center is located in a community that has been designated as a physician under-served area since 1976 and BPN was organized to encourage physicians to practice in the area to ensure access to care for the surrounding communities

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

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

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

▶ **Attach to Form 990**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Beebe Medical Center Inc

Employer identification number
51-0067938

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to 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 (Form 990) if additional space is needed . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BEEBE MEDICAL FOUNDATION902 SAVANNAH ROAD LEWES,DE 19958	510319455	501(c)(3)	547,708		fmv		GENERAL SUPPORT

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 1

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" to 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
NURSING SCHOLARSHIPS	14	64,030		fmv	
See Additional Data Table					

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

Identifier	Return Reference	Explanation
SCHEDULE I, PART I, LINE 2		SCHOLARSHIP FUNDS ARE USED TO SUPPORT THE DAILY OPERATIONS OF BEEBE SCHOOL OF NURSING, A DIVISION OF BEEBE MEDICAL CENTER NO ONE INDIVIDUAL RECEIVED MORE THAN $5,000 IN BEEBE SCHOOL OF NURSING SCHOLARSHIP FUNDS

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Beebe Medical Center Inc

Employer identification number
51-0067938

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☑ Compensation committee	☐ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
JEFFREY FRIED	(i)	412,007	93,100	6,878	59,079	27,567	598,631	
	(ii)	0	0	0	0	0	0	0
JAMES W BARTLE	(i)	335,391	46,830	8,462	31,202	12,457	434,342	
	(ii)	0	0	0	0	0	0	0
DONNA STRELETZKY	(i)	175,570	30,200	528	0	13,034	219,332	
	(ii)	0	0	0	0	0	0	0
BARBARA VUGRINEC	(i)	186,445	35,200	9,440	12,338	36,659	280,082	
	(ii)	0	0	0	0	0	0	0
WALLACE HUDSON JR	(i)	194,701	34,875	10,442	16,341	12,839	269,198	
	(ii)	0	0	0	0	0	0	0
VENDLA ESLER	(i)	195,509	37,050	1,789	11,500	26,752	272,600	
	(ii)	0	0	0	0	0	0	0
ANDREJ STRAUSS	(i)	0	0	208,000	0	0	208,000	0
	(ii)	0	0	0	0	0	0	0
AASIM SEHBAI MD	(i)	394,509	211,300	12,947	0	24,014	642,770	
	(ii)	0	0	0	0	0	0	0
SRIHARI PERI MD	(i)	516,072	165,775	2,136	0	28,804	712,787	
	(ii)	0	0	0	0	0	0	0
BRIAN C McCARTHY	(i)	217,678	0	4,729	0	19,308	241,715	
	(ii)	0	0	0	0	0	0	0
KELLY FELIX	(i)	183,811	0	3,768	0	10,672	198,251	
	(ii)	0	0	0	0	0	0	0
CATHERINE HALEN	(i)	160,020	31,460	5,643	13,772	12,522	223,417	
	(ii)	0	0	0	0	0	0	0
THOMAS STEINER	(i)	207,102	5,000	8,440	16,500	18,062	255,104	
	(ii)	0	0	0	0	0	0	0
WILLIAM HARLESS MD	(i)	230,769	20,000	25,330	0	1,974	278,073	
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation
SCHEDULE J, PAGE 1, LINE 4B		Voluntary participation is open to all Executive staff members or employed physicians who are designated by the Committee of the Board of Directors Participants elect to reduce the amount of compensation which would otherwise be earned and payable in the following plan year in whole dollar amounts or in 1% increments up to 100% to be deposited into a trust account Participants become vested at the time specified in their deferral election Title to the trust remains with Beebe Medical Center until requirements are fulfilled SCHEDULE J, PART I, LINE 7 Executives and management team members are eligible for bonuses if they meet specific organizational objectives including quality and safety issues, patient satisfaction scores, and certain financial goals For Vice presidents, 60% of their eligible incentive is based upon organization - wide goals and 40% is based upon individual goals For the CEO, 100% of the eligible incentive is based upon organization - wide or team goals Certain physicians are eligible for an incentive based on the physician's individual practice number of worked RVU's

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Beebe Medical Center Inc

Employer identification number
51-0067938

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	DELAWARE HEALTH FACILITIES AUTHORITY SERIES 2005A	51-0272458	246388NU2	09-21-2005	24,127,494	schedule o		X		X
B	DELAWARE HEALTH FACILITIES AUTHORITY SERIES 2004A	51-0272458	246388NC2	07-16-2004	29,997,057	schedule o		X		X

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue	25,711,456	29,997,057			
2	Gross proceeds in reserve funds	1,708,881	64,721			
3	Proceeds in refunding or defeasance escrows	0	0			
4	Other unspent proceeds	0	0			
5	Issuance costs from proceeds	160,663	243,578			
6	Working capital expenditures from proceeds	0	0			
7	Capital expenditures from proceeds	24,002,576	0			
8	Year of substantial completion	2010	2004			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?	X									
3b	Are there any research agreements with respect to the financed property which may result in private business use?	X									
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X									
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 960 %									
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %									
6	Total of lines 4 and 5	0 960 %									
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X									

Part IV Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X						
2	Is the bond issue a variable rate issue?		X		X						
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X		X						
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?		X	X							
b	Name of provider	LEHMAN BROTHERS		LEHMAN BROTHERS							
c	Term of GIC	20		20							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X		X							
5	Were any gross proceeds invested beyond an available temporary period?	X			X						
6	Did the bond issue qualify for an exception to rebate?		X	X							

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.

▶ Attach to Form 990 or Form 990-EZ. ▶See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Beebe Medical Center Inc

Employer identification number
51-0067938

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
DELAWARE ANESTHESIA ASSOCIATES	SCHEUDLE O	1,773,000	ANESTHESIA SERVICES		No
DELAWARE ANESTHESIA ASSOCIATES	SCHEDULE O	128,942	BMC REIMBURSED FOR EMPLOYEE		No
SUSSEX EMERGENCY ASSOCIATES	SCHEDULE O	193,021	SCHEDULE O		No
SALIBA FAMILY LLC	SCHEDULE O	185,860	SCHEDULE O		No
PAUL PEET DO	DIRECTOR	102,833	CALL PAY &PHYSICIAN LEADERSHIP		No

Additional Data

Software ID:
Software Version:
EIN: 51-0067938
Name: Beebe Medical Center Inc

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SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Beebe Medical Center Inc

Employer identification number
51-0067938

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION		FORM 990, PART VI, SECTION A, LINE 2 TWO DIRECTORS OF BEEBE MEDICAL CENTER AND ONE BEEBE MEDICAL FOUNDATION BOARD MEMBER ALSO SERVE AS SHAREHOLDERS AND DIRECTORS OF A LOCAL BANK FORM 990, PART VI, SECTION B, LINE 11A THE FORM 990 IS REVIEWED INTERNALLY BY MANAGEMENT OF BEEBE MEDICAL CENTER, INC THE RETURN IS REVIEWED BY A THIRD PARTY ACCOUNTING FIRM, PRICEWATERHOUSECOOPERS LLP A COPY OF THE FORM 990 WAS PROVIDED TO THE GOVERNING BODY BEFORE IT WAS FILED FORM 990, PART VI, SECTION B, LINE 12C BEEBE MEDICAL CENTER REQUIRES ANNUAL COMPLETION OF A CONFLICT OF INTEREST STATEMENT FOR ALL BOARD MEMBERS, EXECUTIVES, AND MANAGEMENT TEAM MEMBERS NON-MANAGEMENT TEAM MEMBERS ARE REQUIRED TO SUBMIT A CONFLICT OF INTEREST STATEMENT UPON HIRE CONFLICT OF INTEREST STATEMENTS ARE REVIEWED BY THE BOARD FOR THE EXISTENCE OF ANY ADVERSE INTEREST FORM 990, PART VI, SECTION B, LINES 15A AND 15B THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES GOVERNS AND CONTROLS EXECUTIVE COMPENSATION PAY IS DETERMINED BY COMPARING like positions TO OTHER TAX-EXEMPT HEALTH SYSTEMS SIMILAR TO BEEBE MEDICAL CENTER IN SIZE AND COMPLEXITY LOCATED REGIONALLY AND THROUGHOUT THE UNITED STATES PAY IS POSITIONED AT a range around THE 50TH PERCENTILE OF BEEBE MEDICAL CENTER'S PEER GROUP, on a national basis THE EXECUTIVE COMMITTEE UTILIZES A CONSULTANT FOR EXECUTIVE COMPENSATION ADVICE MINUTES OF MEETINGS ARE MAINTAINED TO DOCUMENT DELIBERATION AND DECISIONS form 990, part vi, section c, line 19 THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST SCHEDULE K, PART I, LINE A, COLUMN (F) DESCRIPTION OF PURPOSE BEEBE MEDICAL CENTER - MAIN CAMPUS EXPANSION, RENOVATION & EQUIPMENT *EXPAND EMERGENCY DEPARTMENT FROM 18 TO 36 BEDS AND RENOVATE EXISTING EMERGENCY DEPARTMENT AREA, PLUS EQUIPMENT *RELOCATE AND EXPAND (FROM 12 TO 20 BEDS) THE CRITICAL CARE UNIT, PLUS EQUIPMENT *ADD A 42-BED MEDICAL/SURGICAL UNIT, PLUS EQUIPMENT *RENOVATIONS TO ADD DUAL-CAPABLE ANGIOGRAPHY SUITE AND RENOVATIONS TO THE CARDIAC REHAD SUITE, PLUS EQUIPMENT BEEBE HEALTH CAMPUS - EXPANSION AND EQUIPMENT *CONSTRUCTION AND EQUIPPING OF A RADIATION ONCOLOGY CENTER *CONSTRUCTION AND EQUIPPING A MEDICAL ONCOLOGY FACILITY SCHEDULE K, PART I, LINE B, COLUMN (F) DESCRIPTION OF PURPOSE REFUNDING BOND ISSUE TO FINANCE THE CURRENT REFUNDING OF THE DELAWARE HEALTH FACILITIES AUTHORITY'S $37,475,000 REVENUE BONDS, BEEBE MEDICAL CENTER PROJECT, SERIES 1994 OF WHICH $28,855,000 WERE OUTSTANDING AS OF JUNE 1, 2004, THE FIRST CALL DATE SCHEDULE L, PART IV FOR THE TRANSACTIONS WITH DELAWARE ANESTHESIA ASSOCIATES, STEPHEN M FANTO, MD, A DIRECTOR OF BEEBE MEDICAL CENTER, IS A PARTNER IN THIS ENTITY FOR THE TRANSACTIONS WITH SUSSEX EMERGENCY ASSOCIATES, THE SPOUSE OF PATRICIA SHREEVE, A DIRECTOR OF BEEBE MEDICAL CENTER, IS AN OWNER OF THIS ENTITY IN ADDITION, PAUL T COWAN, JR , DO, A DIRECTOR OF BEEBE MEDICAL CENTER, IS AN OWNER OF THIS ENTITY SUSSEX EMERGENCY ASSOCIATES IS UNDER CONTRACT WITH BEEBE MEDICAL CENTER TO PROVIDE EMERGENCY ROOM PHYSICIAN SERVICES FOR THE TRANSACTIONS WITH SALIBA FAMILY LLC, ANIS SALIBA, MD, A BEEBE MEDICAL CENTER BOARD MEMBER, IS A MEMBER OF THE LLC BEEBE MEDICAL CENTER RENTS OFFICE SPACE FROM THE LLC SCHEDULE R, PART I, IDENTIFICATION OF DISREGARDED ENTITIES SOUTHERN DELAWARE SURGERY CENTER WAS INACTIVE DURING THE YEAR ENDED JUNE 30, 2010

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Beebe Medical Center Inc

Employer identification number
51-0067938

Part I **Identification of Disregarded Entities** (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(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
SOUTHERN DELAWARE SURGERY CENTER 18941 JOHN J WILLIAMS HIGHWAY REHOBETH, DE 19971 57-1188197	O/P SURGERY	DE	0	0	NA

Part II **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(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
BEEBE PHYSICIAN NETWORK INC PO BOX 760 LEWES, DE 19958 21-2011066	PHYS SUPPORT	DE	501(c)(3)	9	NA
BEEBE MEDICAL FOUNDATION 902 SAVANNAH ROAD LEWES, DE 19958 51-0319455	FUNDRAISING	DE	501(c)(3)	11-TYPE I	NA
LEWES CONVALESENT CENTER 440 MARKET STREET LEWES, DE 19958 51-0370225	SKILL NURSING	DE	501(C)(3)	3	NA

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(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, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(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

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

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

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

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1)	BEEBE MEDICAL FOUNDATION	C	5,338,762
(2)	BEEBE PHYSICIAN NETWORK INC	C	4,450,000
(3)	BEEBE MEDICAL FOUNDATION	B	547,708
(4)			
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Additional Data

Software ID:
Software Version:
EIN: 51-0067938
Name: Beebe Medical Center Inc

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

(Code	) (Expenses $	781,150	including grants of $	) (Revenue $	0)	
SCHOOL WELLNESS PROGRAMS						
(Code	) (Expenses $	405,409	including grants of $	) (Revenue $	82,452)	
COMMUNITY OUTREACH						
(Code	) (Expenses $	689,686	including grants of $	) (Revenue $	218,661)	
ADULT DAY CARE - GULL HOUSE						

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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			
JEFFREY FRIED PRESIDENT	40 0	X		X				511,985	0	86,646
ROBERT J WHITE DIRECTOR	2 0	X						0	0	0
JAMES P MARVEL JR MD DIRECTOR	2 0	X						0	0	0
JANET B MCCARTY CHAIRPERSON	2 0	X		X				0	0	0
PAUL H MYLANDER TREASURER	2 0	X		X				0	0	0
JAMES D BARR DIRECTOR	2 0	X						0	0	0
STEPHEN D BERLIN MD DIRECTOR	2 0	X						34,271	0	0
WILLIAM L BERRY DIRECTOR	2 0	X						0	0	0
EUGENE D BOOKHAMMER DIRECTOR	2 0	X						0	0	0
WILLIAM SWAIN LEE VICE CHAIRPERSON	2 0	X		X				0	0	0
JOSEPH W BOOTH DIRECTOR	2 0	X						0	0	0
THOMAS L KING DIRECTOR	2 0	X						0	0	0
STEPHEN M FANTO MD DIRECTOR	2 0	X						0	0	0
HALSEY G KNAPP DIRECTOR	2 0	X						0	0	0
JOSEPH R HUDSON DIRECTOR	2 0	X						0	0	0
ROBERT H MOORE DIRECTOR	2 0	X						0	0	0
ESTHELDA R PARKER-SELBY DIRECTOR	2 0	X						0	0	0
MICHAEL L WILGUS DIRECTOR	2 0	X						0	0	0
PAUL T COWAN JR DO DIRECTOR	2 0	X						0	0	0
JAMES BEEBE JR MD DIRECTOR	2 0	X						0	0	0
PATRICIA SHREEVE DIRECTOR	2 0	X						0	0	0
JACQUELYN O WILSON EDD DIRECTOR	2 0	X						0	0	0
PAUL PEET DIRECTOR	2 0	X						0	0	0
ANIS K SALIBA DIRECTOR	2 0	X						0	0	0
JAMES W BARTLE VP CFO	40 0			X				390,683	0	43,659

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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			
DONNA STRELETZKY VP OPERATIONS	40.0				X			206,298	0	13,034
BARBARA VUGRINEC VP INFORMATION SYSTEM	40.0				X			231,085	0	48,997
WALLACE HUDSON JR VP CORPORATE AFFAIRS	40.0				X			240,018	0	29,180
ANDREJ STRAUSS VP MEDICAL AFFAIRS	40.0				X			208,000	0	0
CATHERINE HALEN VP HUMAN RESOURCES	40.0				X			197,123	0	26,294
THOMAS STEINER VP CHIEF OPERATING OFFICER	40.0				X			220,542	0	34,562
AASIM SEHBAI MD PHYSICIAN	40.0					X		618,756	0	24,014
SRIHARI PERI MD PHYSICIAN	40.0					X		683,983	0	28,804
BRIAN C McCARTHY PHYSICIAN ASSISTANT	40.0					X		222,407	0	19,308
KELLY FELIX PHYSICIAN ASSISTANT	40.0					X		187,579	0	10,672
WILLIAM HARLESS MD PHYSICIAN	40.0					X		276,099	0	1,974
VENDLA ESLER VP NURSING (FORMER)	40.0						X	234,348	0	38,252

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
BAD DEBT	10,483,328	10,483,328	0	0
LITIGATION PROVISION	5,660,000	0	5,660,000	0
MAINTENANCE	5,044,243	4,791,994	252,249	0
EMPLOYEE RECRUITMENT	538,612	820	537,792	0
DUES	434,383	120,846	313,537	0

Additional Data

Software ID:
Software Version:
EIN: 51-0067938
Name: Beebe Medical Center Inc

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	**(b)** Book value
NET DEFERRED FINANCING COSTS	821,216
DEFERRED COMPENSATION	765,621
EQUITY IN BEEBE PHYS NETWORK	303,940
FOUND INT UNREST NET ASSETS	4,192,776
FOUND INT REST NET ASSETS	5,329,043
MISCELLANEOUS RECEIVABLES	72,500
TEMPORARILY RESTRICTED FUNDS	488,016
PERMANENTLY RESTRICTED FUNDS	301,190
WORK COMP & MALP INS RECVBLE	4,289,594

Form 990, Schedule D, Part X, - Other Liabilities

1 **(a)** Description of Liability	**(b)** Amount
ACC POST RETIREMENT BENEFIT	25,531,522
DEFERRED COMPENSATION OBLIG	2,034,843
NET CAPITAL LEASE OBLIGATIONS	601,110
ACCRUED PENSION LIABILITY	17,176,362
ACCRUED MEDICAL MALPRACTICE	1,621,133
ACC WORKERS COMP LIABILITY	995,030
ASBESTOS REMOVAL OBLIGATION	2,604,957
LITIGATION SETTLEMENT	5,660,000
UNAMORTIZED BOND PREMIUM	735,083

Additional Data

Software ID:
Software Version:
EIN: 51-0067938
Name: Beebe Medical Center Inc

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A) BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $10,483,328

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Beebe Medical Center has adopted Healthcare Financial Management Association Statement No 15, Valuation and Financial Statement Presentation of Charity Care and Bad Debts by Institutional Healthcare Providers The organization's audited financial statements do not include a footnote discussing bad debt expense, accounts receivable or allowance for doubtful accounts Bad debt expense represents uncollectible balances on patient accounts after deducting discounts and payments A cost-to-charge ratio was applied to determine the cost of bad debts

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Beebe Medical Center serves the community as a whole It is the only hospital within 23 miles and is the only tertiary hospital within 40 miles Beebe Medical Center accepts all patients regardless of ability to pay Beebe Medical Center's primary service area is rural with a very high Medicare population Medicare represents over 55% of hospital business Medicare rates do not keep up with health care costs and with the high percentage of Medicare volumes the Medicare shortfall of $34,869,904 is considered a community benefit

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Beebe Medical Center is a not-for-profit, community-based healthcare facility It is hospital policy that no one will be denied medically necessary hospital services based upon the patient's ability to pay for those services A public notice of the availability of financial aid is visible within the hospital Beebe Medical Center complies with all federal, state, and contractual laws, regulations, and Requirements Objective The patient or guarantor has the ultimate financial responsibility for care received from Beebe Medical Center Beebe Medical Center cooperates and assists all patients in the fulfillment of their financial responsibility This cooperation includes assistance with enrollment in public or private insurance programs, charity-based programs, financial assistance programs, or other third-party payment programs Patients have the responsibility to provide timely and accurate information when seeking consideration under the Beebe Medical Center Charity and Financial Aid Policy Procedures 1 Self Pay Patient receives services from Beebe Medical Center (BMC) and is registered as a self pay with no insurance coverage a A statement of charges is sent to the patient 5 days from date of service, listing the summary of charges and insurance on file if applicable b A Financial Assistance Program letter is sent 10 days from date of service explaining the hospital financial assistance options, listing the federal poverty levels The letter encourages the patient to contact Patient Financial Service to see eligibility in the programs offered at BMC 2 Patient applies and submits all relative documentation for the BMC financial assistance program application process a Approval for eligibility for the BMC financial assistance program is communicated in a letter indicating the coverage period The patient may receive 50% to 100% of financial assistance based on financial information presented All accounts on the hospital books are written off to charity or financial assistance based on the approval level b Financial assistance expires annually at which time the patient is asked to update the information on file c The patient receives a laminated card indicating the application time period and the financial assistance number d The patient is instructed to present the card at each episode of care at registration BMC financial assistance in entered in the registration in the same manner as insurer coverage 3 Patient returns for services at BMC presenting with the financial assistance card at registration a Self pay is registered as the primary plan and financial assistance is registered as secondary coverage b A weekly report is generated listing all patients that visited the hospital with a financial assistance listed in the secondary insurance c The report is reviewed by the hospital financial counselor and the account is written off according to the assistance program of which the patient is eligible i If patient qualifies for the BMC Charity program, BMC Charity write off is 100% of charges Patient receives no further statements from Beebe Medical Center ii If patient qualifies for the BMC Financial assistance discounted program - account is written off for the percentage of discount that the patient qualified for Financial assistance can be granted for up to 50% of charges 1 Patient will then receive a bill for the balance on the account 2 Patient statement advises them to contact the financial counselor for payment arrangements 3 The new accounts are combined with existing payment arrangements and a monthly payment is recalculated based on feedback from the patient on ability to pay

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

Part VI, Item 4 The Medical Center is located in Sussex County, the southern-most of three Delaware counties, which consists of 938 square miles, or 48% of Delaware's entire land area Because of its climate and low property taxes, Sussex County has become an attractive retirement community All of the county's growth over the next decade is projected to come from persons moving into the county Traditionally, Sussex County has been regarded as a rural agricultural area In many respects, it remains an agricultural area with 167 persons per square mile compared with the statewide average of 401 persons However, the eastern edge of Sussex County that fronts on the Delaware Bay and Atlantic Ocean has become a major tourist resort and, most recently, a favored retirement area, retail, and hospitality center Eastern and Southeastern Sussex County, which is Beebe Medical Center's primary service area, is particularly attractive due to its proximity to the Atlantic Ocean and Delaware Bay As a result, the Medical Center generally experiences a significant increase in patient visits during the summer periods The retirement age group is the fastest growing segment of the population in the Medical Center's service area due to the many retirement communities that have developed in the Sussex County area With the 2000 Census, the Medicare age group comprised 22% of the population in the Medical Center's primary service area, compared with 18 5% for all of Sussex County The 10-year (1990-2000) national growth rate of persons age 65 and older was at 12%, while in Delaware, the rate was 26% However, in Sussex County, the 10-year growth rate of persons age 65 and older is 53%, or four times the national average and twice the statewide average The population of Sussex County increased 37 8% between 2000 and 2010, growing to 215,900 people in 2010 residing year-round in the hospital's service area The most recent population growth projection for persons older than 65 years for the Medical Center's primary service area is expected to be 24 3%