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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)	OMB No 1545-0047 <div> <div>2009</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010				
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization APPALACHIAN REGIONAL HEALTHCARE INC		D Employer identification number 52-0795508
		Doing Business As		E Telephone number (859) 226-2440
		Number and street (or P O box if mail is not delivered to street address) 2285 EXECUTIVE DRIVE No 400	Room/suite	G Gross receipts \$ 567,385,247
		City or town, state or country, and ZIP + 4 LEXINGTON, KY 40505		
	F Name and address of principal officer Jerry Haynes 2285 EXECUTIVE DRIVE No 400 LEXINGTON, KY 40505		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: ▶ WWW ARH ORG				
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1956	M State of legal domicile KY	

Part I		Summary		
Activities & Governance	1	Briefly describe the organization's mission or most significant activities TO IMPROVE HEALTH AND PROMOTE WELL-BEING OF ALL THE PEOPLE IN CENTRAL APPALACHIA		
	2	Check this box <input type="checkbox"/> 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 1	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4 1	
	5	Total number of employees (Part V, line 2a)	5 4,97	
	6	Total number of volunteers (estimate if necessary)	6 22	
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a 11,307,05	
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b 729,73	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	1,160,171	1,049,317
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	521,211,445	545,430,866
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,143,061	3,716,893
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	26,579,318	16,757,854
			550,093,995	566,954,930
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
	14	Benefits paid to or for members (Part IX, column (A), line 4)		0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	269,202,292	282,192,194
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
	b	Total fundraising expenses (Part IX, column (D), line 25) 253,264		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	261,753,004	273,512,451
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	530,955,296	555,704,645
	19	Revenue less expenses Subtract line 18 from line 12	19,138,699	11,250,285
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	352,013,660	374,684,749
	21	Total liabilities (Part X, line 26)	335,950,997	365,423,566
	22	Net assets or fund balances Subtract line 21 from line 20	16,062,663	9,261,183

Part II	Signature Block				
Sign Here	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				
	***** Signature of officer		2011-04-21 Date		
	JOSEPH GROSSMAN cfo/vp fiscal affairs Type or print name and title				
Paid Preparer's Use Only	Preparer's signature LEIGH MCKEE		Date	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4			EIN	
	DEAN DORTON ALLEN FORD PLLC 106 W VINE STREET SUITE 600 LEXINGTON, KY 40507			(859) 255-2341	

Part III Statement of Program Service Accomplishments












1 Briefly describe the organization's mission

TO IMPROVE HEALTH AND PROMOTE WELL-BEING OF ALL THE PEOPLE IN CENTRAL APPALACHIA IN AN EVOLVING, COMMUNITY BASED SYSTEM PROVIDING HIGH QUALITY HEALTHCARE PROGRAMS AND SERVICES

[illegible]

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	No
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, line 10? 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?	Yes	No
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional 	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
14b	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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
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? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
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? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part II</i>	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? <i>If "Yes," complete Schedule L, Part III</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
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? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	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? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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? <i>If "Yes," complete Schedule R, Part VI</i>	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, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	300	
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	
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, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	4,975	
	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)			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	Yes	
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O			3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		No
b If "Yes," enter the name of the foreign country: <input type="text"/> 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	16	
b	Enter the number of voting members that are independent	1b	16	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
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		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11		No
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	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	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▶KY
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ ORGANIZATION 2285 EXECUTIVE DRIVE SUITE 400 LEXINGTON, KY 40505 (859) 226-2440

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

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

Form **990** (2009)

1b	Total	4,506,226	0	321,383
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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 **164**

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
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? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		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
TRIANGLE ANESTHESIA GROUP PSC 3300 TATES CREEK ROAD SUITE 100 LEXINGTON, KY 40502	PHYSICIAN SERVICES	6,000,000
MCKESSON information solutions PO BOX 9837 CHICAGO, IL 60693	IT CONSULTING	3,064,755
esi business solutions 4144 N Central Expressway Suite 2 dallas, TX 75204	revenue cycle consulting	2,389,221
MAYO COLLABORATIVE SERVICES INC PO BOX 9146 MINNEAPOLIS, MN 55480	REFERENCE LABORATORY	2,339,335
executive health resources inc 15 Campus Blvd suite 200 newtown square, PA 19073	consulting	1,778,369

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 **56**

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					
	e	Government grants (contributions)	1e	849,204				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	200,113				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f		1,049,317				
Program Service Revenue			Business Code					
	2a	PATIENT SERVICE REVENUE	621,110	537,223,045	537,223,045			
	b	PHARMACY/LAB/LAUNDRY	812,300	8,011,916		4,461,739	3,550,177	
	c	RECORD TRANSCRIPT FEES	900,099	195,905			195,905	
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		545,430,866				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		3,464,929			3,464,929	
	4	Income from investment of tax-exempt bond proceeds . . .						
	5	Royalties						
	6a	Gross Rents	(i) Real	(ii) Personal				
			1,561,353					
			17,768					
			1,543,585					
	d	Net rental income or (loss)		1,543,585			1,543,585	
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			621,257	43,256				
				412,549				
			621,257	-369,293				
	d	Net gain or (loss)		251,964			251,964	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18						
	b	Less direct expenses	b					
	c	Net income or (loss) from fundraising events . . .						
	9a	Gross income from gaming activities See Part IV, line 19						
b	Less direct expenses	b						
c	Net income or (loss) from gaming activities . . .							
10a	Gross sales of inventory, less returns and allowances							
b	Less cost of goods sold	b						
c	Net income or (loss) from sales of inventory . . .							
Miscellaneous Revenue		Business Code						
11a	HOME STORES REVENUE	446,199	6,795,866		6,795,866			
b	MISCELLANEOUS REVENUE	900,099	6,433,400	6,433,400				
c	CAFETERIA REVENUE	722,100	1,066,994				1,066,994	
d	All other revenue		918,009		49,451		868,558	
e	Total. Add lines 11a-11d		15,214,269					
12	Total revenue. See Instructions		566,954,930	543,656,445	11,307,056		10,942,112	

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				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	1,898,504		1,898,504	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	192,547,754	176,839,193	15,583,474	125,087
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	16,697,421	14,543,548	2,142,904	10,969
9	Other employee benefits	57,204,631	51,958,084	5,208,969	37,578
10	Payroll taxes	13,843,884	12,905,919	928,871	9,094
11	Fees for services (non-employees)				
a	Management				
b	Legal	2,673,594	118,617	2,554,977	
c	Accounting	22,443		22,443	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	14,986,966	14,659,391	327,575	
12	Advertising and promotion	801,278	235,171	501,132	64,975
13	Office expenses	3,672,232	635,945	3,035,885	402
14	Information technology				
15	Royalties				
16	Occupancy	10,041,292	8,679,066	1,361,096	1,130
17	Travel	1,566,250	1,273,484	292,566	200
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	148,385	3,892	144,493	
20	Interest	6,530,012	5,537,306	992,706	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	23,414,029	20,742,777	2,671,252	
23	Insurance	6,278,951	6,250,794	28,157	
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	UBI Tax	962,177		962,177	
b	supplies	78,328,137	77,714,298	610,911	2,928
c	bad debt	57,567,407	57,567,407		
d	outside services	25,820,897	18,190,281	7,630,616	
e	equipment rental & main	13,767,929	8,756,405	5,011,144	380
f	All other expenses	26,930,472	12,805,051	14,124,900	521
25	Total functional expenses. Add lines 1 through 24f	555,704,645	489,416,629	66,034,752	253,264
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			35,030,760	1	33,309,622
	2	Savings and temporary cash investments			18,550,889	2	24,541,645
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			68,964,179	4	75,020,707
	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			15,514,207	7	5,868,810
	8	Inventories for sale or use			8,562,178	8	8,395,072
	9	Prepaid expenses and deferred charges			3,141,190	9	2,717,789
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a	434,471,853			
	b	Less accumulated depreciation	10b	284,704,217	157,130,525	10c	149,767,636
	11	Investments—publicly traded securities			34,612,736	11	67,908,455
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11			481,907	13	711,158
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			10,025,089	15	6,443,855
	16	Total assets. Add lines 1 through 15 (must equal line 34)			352,013,660	16	374,684,749
Liabilities	17	Accounts payable and accrued expenses			61,117,425	17	62,913,778
	18	Grants payable				18	
	19	Deferred revenue			17,410,877	19	17,217,822
	20	Tax-exempt bond liabilities			78,827,784	20	74,953,835
	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			14,297,630	23	15,447,992
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			164,297,281	25	194,890,139
	26	Total liabilities. Add lines 17 through 25			335,950,997	26	365,423,566
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			16,062,663	27	9,261,183
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			16,062,663	33	9,261,183
	34	Total liabilities and net assets/fund balances			352,013,660	34	374,684,749

Part XI **Financial Statements and Reporting**

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ 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? . .		No
b Were the organization's financial statements audited by an independent accountant? 	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 . . .	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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> 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? 		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 . .		

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 APPALACHIAN REGIONAL HEALTHCARE INC	Employer identification number 52-0795508
---	--

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 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

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

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?
- h

☐

Provide the following information about the 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?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II

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

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 IIISupport 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

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
APPALACHIAN REGIONAL HEALTHCARE INC

Employer identification number

52-0795508

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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		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		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes	<input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 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)		(b)	
		Yes	No	Amount	
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of				
	a Volunteers?				No
	b Paid staff or management (include compensation in expenses reported on lines 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?		No		
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No		
	i Other activities? If "Yes," describe in Part IV	Yes		64,650	
	j Total lines 1c through 1i			64,650	
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No		
b	If "Yes," enter the amount of any tax incurred under section 4912				
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A

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 1.
Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
Part II-B, Line 1	Explanation of Other Lobbying Activities	Retained a lobbyist for mailing to legislators or the public and also to have direct contact with legislators, their staffs, government officials, and/or a legislative body. These are done at the state level only.

SCHEDULE D
(Form 990)

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

Department of the Treasury
Internal Revenue Service

Name of the organization APPALACHIAN REGIONAL HEALTHCARE INC	Employer identification number 52-0795508
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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? <div>YesNo</div>	
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 <div>YesNo</div>	

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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

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?

YesNo

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)?

YesNo

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

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2009

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

Yes

No

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		6,465,343		6,465,343
b Buildings		211,711,314	115,591,894	96,119,420
c Leasehold improvements				
d Equipment		191,935,714	153,192,882	38,742,832
e Other		24,359,482	15,919,441	8,440,041
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				149,767,636

Schedule D (Form 990) 2009

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
Part X	Description of Uncertain Tax Positions Under FIN 48	The Corporation adopted the provisions of FASB ASC 740-10 relating to uncertainty in income taxes on July 1, 2009. The implementation included evaluating the tax positions taken on all income tax returns that remain open to examination by the respective taxing authorities. The Corporation does not believe that there are any uncertain positions on those returns that meet the requirements of FASB ASC 740-10 and therefore should be reflected in the financial statements.

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
APPALACHIAN REGIONAL HEALTHCARE INC

Employer identification number
52-0795508

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 <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input checked="" type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>			
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 <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care <div><input type="checkbox"/> 100%</div> <div><input checked="" type="checkbox"/> 150%</div> <div><input type="checkbox"/> 200%</div> <div><input type="checkbox"/> Other _____</div>	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%</div> <div><input type="checkbox"/> 250%</div> <div><input type="checkbox"/> 300%</div> <div><input type="checkbox"/> 350%</div> <div><input type="checkbox"/> 400%</div> <div><input checked="" type="checkbox"/> Other 15000.0000000000 %</div>	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		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a	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)			31,397,294	15,486,808	15,910,486	3 190 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			111,970,262	74,738,253	37,232,009	7 470 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			0			
d Total Charity Care and Means-Tested Government Programs			143,367,556	90,225,061	53,142,495	10 660 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			571,636	5,986	565,650	0 110 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j Total Other Benefits			571,636	5,986	565,650	0 110 %
k Total. Add lines 7d and 7j			143,939,192	90,231,047	53,708,145	10 770 %

Part IICommunity 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					
6	Coalition building					
7	Community health improvement advocacy					
8	Workforce development					
9	Other					
10	Total					

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1	Yes	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	21,237,017	
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	138,245,273	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	148,827,870	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-10,582,597	
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: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes	No
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	No

Part IVManagement 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 ARH Regional Medical Center Professional Office Building Co-Owners Council	Condo Owner	36.250 %		
2 Hazard ARH Imaging Center LLC dba Medical Mall Imaging Center	Diagnostic Imaging Services	60.000 %		
3 Whitesburg Physician Office Building LLC	Condo Owner	28.000 %		
4 Phelps Regional Health Services Inc	Property Owner of Physician office building & Nursing home	50.000 %		
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

[illegible]

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, Line 2 The needs of the communities that ARH serves throughout Eastern Kentucky and Southern West Virginia are assessed by following emerging medical practice needs as a whole across the nation and specifically in the Appalachian region The health needs are examined by looking at health statistics and disease prevalence compared to service/physician availability Patient and community surveys are also regularly conducted to assess consumer perceived needs

- 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

See additional data

- 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

- 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)

See additional data

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

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

KY,WV

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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.

Name of the organization APPALACHIAN REGIONAL HEALTHCARE INC	Employer identification number 52-0795508
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Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div> <div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div> <div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
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?		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		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?		No
b	Any related organization?		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?	Yes	
b	Any related organization?		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		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

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				
JERRY HAYNES	(i)	613,362	55,836	0	21,663	16,689	707,550	0
	(ii)	0	0	0	0	0	0	0
JOSEPH GROSSMAN	(i)	355,440	26,040	0	16,448	22,594	420,522	0
	(ii)	0	0	0	0	0	0	0
HOLLIE P HARRIS	(i)	214,679	16,380	0	16,500	21,947	269,506	0
	(ii)	0	0	0	0	0	0	0
JOHN D MILLER	(i)	288,149	20,832	0	2,480	18,484	329,945	0
	(ii)	0	0	0	0	0	0	0
paul miles	(i)	256,038	20,832	0	7,440	23,013	307,323	0
	(ii)	0	0	0	0	0	0	0
bobby rick king	(i)	261,371	19,740	0	21,050	14,894	317,055	0
	(ii)	0	0	0	0	0	0	0
JOSE M ECHEVERRIA	(i)	192,369	285,586	0	1,663	21,534	501,152	0
	(ii)	0	0	0	0	0	0	0
prakash puranik	(i)	399,807	0	0	38,154	13,303	451,264	0
	(ii)	0	0	0	0	0	0	0
jameel a butt	(i)	373,254	278,659	0	25,132	5,923	682,968	0
	(ii)	0	0	0	0	0	0	0
jamal bazzi	(i)	405,017	0	0	626	5,923	411,566	0
	(ii)	0	0	0	0	0	0	0
nathan e doctry	(i)	421,635	0	0	0	5,923	427,558	0
	(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
	Part I, Line 4a	ARH provides senior executives a contribution of seven (7) percent of pay (subject to a dollar cap) into the Top Hat 457(b) retirement Plan, if the executive signs a non-compete agreement. The contribution and earnings are tax deferred until assets are distributed or withdrawn. The maximum contribution is subject to the IRS compensation cap, which allows a contribution of up to \$16,500 in 2009. This contribution total is an aggregate total regardless of whether ARH or the executive makes the contribution. Contribution to the 457(b) does not affect the amounts the executive might contribute to the 403(b) Thrift Plan. The executive may contribute her/his own money to the plan pre-tax, to the extent the IRS caps allow room after ARH's contribution. Catch up contributions are allowed within IRS limits in the last three years prior to retirement (and, if 7% of pay exceeds the regular dollar cap, ARH may use the balance of the 7% to fund up to the catch up limit. Benefits are subject to Social Security and Medicare taxes as they accrue. The funds are invested as directed by the executive, but the account remains a general asset of ARH. If ARH becomes insolvent, the executive will be an unsecured creditor and will have no preferred claim to any assets. To receive the ARH credit to the 457(b) plan, the executive must sign a non-compete, confidentiality, etc. agreement restricting work for a competing organization for two (2) years post termination. If the funding of the 457(b), including any catch up provisions, is less than 7% of base pay, then ARH will contribute the remainder to a 457(f) plan. Respective employer contributions into the 457(f) plan include: Jerry Haynes \$2,538, Joseph Grossman \$4,365, Paul Miles \$192, and John Miller \$192.
	Part I, Line 6	The Compensation and Contracts Committee of the ARH Board of Trustees adopted a short-term incentive compensation program for executives in September 2002. The program established incentives for achieving System and community objectives for executive leadership by integrating the performance management and executive compensation systems. The incentive thresholds have been modified across time to reflect increased performance expectations as identified in the System's Strategic, Budget and Operations Plans. The incentive awards provide additional cash compensation as a percentage of base salary in relation to levels of achievement. These achievement levels range from Threshold (lowest), to Target (10% above the threshold), and Maximum (highest and 20% above the threshold) and vary based upon executive level. The Executive Incentive Plan will be administered in accordance with the following guidelines: a. Objectives and targets are set through the strategic planning, budgeting and performance management processes. b. System margin and cash budget thresholds must be met before individual awards will be considered. c. Awards will be considered as having been earned upon affirmation based on audited financial results and actual operating performance. d. The President and CEO will recommend payment of individual awards, if any, to the Compensation and Contracts Committee for consideration. e. The Compensation and Contracts Committee may accept, reject, or modify the President and CEO's recommendation.

Schedule K (Form 990)	<div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ 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.</div>	OMB No 1545-0047
		2009
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	Name of the organization APPALACHIAN REGIONAL HEALTHCARE INC	Employer identification number 52-0795508
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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 city of hazard ky	61-6001839		02-14-2007	4,600,000	construction of and equipment at hazard cancer center		X		X
B county of pikeville ky	61-6000928		06-15-2007	2,400,000	purchase of a building for central purchasing services		X		X
C county of perry kentucky	61-6000810		08-08-2007	4,600,000	construction of and equipment at the Hazard cancer center		X		X

Part II

Proceeds

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue										
2 Gross proceeds in reserve funds										
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds										
5 Issuance costs from proceeds										
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds										
8 Year of substantial completion										
9 Were the bonds issued as part of a current refunding issue?										
10 Were the bonds issued as part of an advance refunding issue?										
11 Has the final allocation of proceeds been made?										
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?		X		X		X				
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X		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		X		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 %		0 %		0 %					
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 %		0 %		0 %					
6	Total of lines 4 and 5	0 %		0 %		0 %					
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		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		X					
2	Is the bond issue a variable rate issue?		X		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		X				
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?		X		X		X				
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X				
6	Did the bond issue qualify for an exception to rebate?		X		X		X				

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► 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.

Name of the organization
APPALACHIAN REGIONAL HEALTHCARE INC

Employer identification number
52-0795508

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?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	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
dr john pellegrini	trustee of arh	210,324	a clinic owned by dr pellegrini provides physician practice management services to an arh-employed physician		No

Additional Data

Software ID:
Software Version:
EIN: 52-0795508
Name: APPALACHIAN REGIONAL HEALTHCARE INC

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493116006181

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 APPALACHIAN REGIONAL HEALTHCARE INC	Employer identification number 52-0795508
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Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		the director of accounting and cfo both review the 990

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		A secure website is provided to officers and trustees for annual disclosures, and is monitored regularly by the Vice-President of Legal Affairs and the Corporate Compliance officers. Potential conflicts of interest are reported directly to the Chairman of the Board. Trustees identified as having a conflict of interest in a particular matter before the Board may not participate in the Board's decision-making process. Failure to disclose is subject to discipline, including censure, and in some cases, removal from the Board. Employee officers are subject to discipline in accordance with the Corporation's human resource policies and the ARH Code of Business and Professional Conduct.

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		The ARH Board sets compensation levels for Mr. Haynes and other ARH executives. The Board contracts with a consulting firm to review the market for the positions on the System Operating Council who makes recommendations on the salary ranges and assesses the competitiveness of the salaries. With that information, the Compensation and Contracts Committee set the ranges and the President's compensation. The Board reviews and finalizes compensation amounts. The consulting firm follows up with a letter attesting to the reasonableness of compensation.

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		While ARH has not yet adopted a policy of sharing its financial statements with the public, it does provide financial information through the Form 990 and also provides certain financial information in other public documents, including its periodic reports to the communities it serves.

Identifier	Return Reference	Explanation
Form 990, Part XI, line 2c		Process for overseeing and selecting independent auditors has not changed.

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
APPALACHIAN REGIONAL HEALTHCARE INC

Employer identification number
52-0795508

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

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
the arh foundation for healthier communities inc 100 airport gardens road hazard, KY 41701 20-4840007	carrying out fundraising and charitable activities for arh	KY	501(c)(3)	Line 7	appalachian regional healthcare inc
west virginia arh inc 2285 executive drive lexington, KY 40505 55-0756776	HEALTH CARE	WV	501(c)(3)	Line 3	appalachian regional healthcare inc

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?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No
hazard arh imaging center llc 210 black gold blvd hazard, KY41701 27-0755457	medical imaging services	KY	N/A	related	-400,292	430,433		No		Yes	

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

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

a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b Gift, grant, or capital contribution to other organization(s)

c Gift, grant, or capital contribution from other organization(s)

d Loans or loan guarantees to or for other organization(s)

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

i Lease of facilities, equipment, or other assets to other organization(s)

j Lease of facilities, equipment, or other assets from other organization(s)

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

Yes

No

Yes

No

Yes

No

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) the arh foundation for healthier communities inc	P	208,306
(2) hazard arh imaging center llc	B	169,950
(3)		
(4)		
(5)		
(6)		

Schedule R (Form 990) 2009

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.

[illegible]

Additional Data

Software ID:

Software Version:

EIN: 52-0795508

Name: APPALACHIAN REGIONAL HEALTHCARE INC

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			
Leon Hollon Vice Chairman	5 00	X						0	0	0
Russell Bentley chairman	5 00	X						0	0	0
Kathleen Dalton Trustee	3 00	X						0	0	0
Deborah Harris Trustee	3 00	X						0	0	0
ida androwich Trustee	3 00	X						0	0	0
William May Trustee	3 00	X						0	0	0
Wayne Myers MD Trustee	3 00	X						0	0	0
Emmett Pugh III secretary/treasurer	5 00	X						0	0	0
Carolyn Sundy Trustee	3 00	X						0	0	0
raymond cox trustee	3 00	X						0	0	0
ahmed faheem trustee	3 00	X						1,200	0	0
maria hortillosa trustee	3 00	X						0	0	0
thomas hyatt trustee	3 00	X						0	0	0
craig lenz trustee	3 00	X						0	0	0
debra reynolds trustee	3 00	X						0	0	0
madonna sturgill trustee	3 00	X						0	0	0
james shoffner trustee	3 00	X						0	0	0
larry meador trustee	3 00	X						0	0	0
timothy mosher trustee	3 00	X						0	0	0
john pellegrini trustee	3 00	X						0	0	0
richard sturgill trustee	3 00	X						0	0	0
JERRY HAYNES PRESIDENT/CEO	40 00			X				669,198	0	38,352
JOSEPH GROSSMAN cfo/VP fiscal services	40 00			X				381,480	0	39,042
HOLLIE P HARRIS VP CORPORATE STRATEGY	40 00			X				231,059	0	38,447
JOHN D MILLER VP MEDICAL SERVICES	40 00			X				308,981	0	20,964

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			
paul miles vp operations	40 00			X				276,870	0	30,453
bobby rick king vp legal affairs	40 00			X				281,111	0	35,944
JOSE M ECHEVERRIA GENERAL INTERNIST	40 00					X		477,955	0	23,197
prakash puranik orTHOPEDIC SURGEON	40 00					X		399,807	0	51,457
jameel a butt GENERAL SURGEON	40 00					X		651,913	0	31,055
jamal bazzi orTHOPEDIC SURGEON	40 00					X		405,017	0	6,549
nathan e doctry ORTHOPEDIC SURGEON	40 00					X		421,635	0	5,923

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

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
UBI Tax	962,177		962,177	
supplies	78,328,137	77,714,298	610,911	2,928
bad debt	57,567,407	57,567,407		
outside services	25,820,897	18,190,281	7,630,616	
equipment rental & main	13,767,929	8,756,405	5,011,144	380

Additional Data

Software ID:

Software Version:

EIN: 52-0795508

Name: APPALACHIAN REGIONAL HEALTHCARE INC

Form 990 Schedule H, 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)
ARH Family Care Wayland 2662 King kelly Coleman Highway wayland, KY 41666									primary care center or clinic
Elkhorn City ARH Family Care Center 905 W Russell Street elkhorn city, KY 41522									primary care center or clinic
Jenkins ARH Family Care Center 9480 highway 805 jenkins, KY 41514									primary care center or clinic
arh family care middlesboro 1217 East Cumberland Avenue middlesboro, KY 40965									Clinic
Tug Valley Medical Mall 26901 US Highway 119N belfry, KY 41514									primary care center or clinic
Harlan ARH Hospital 81 Ball Park Road harlan, KY 40831	X	X					X		
Hazard ARH Regional Medical Center 100 Medical Center Drive hazard, KY 41701	X	X		X			X		
McDowell ARH Hospital Route 122 Box 247 mcdowell, KY 41647	X	X			X		X		
Middlesboro ARH Hospital 3600 West Cumberland Ave middlesboro, KY 40965	X	X					X		
Morgan County ARH Hospital 476 Liberty Road west liberty, KY 41472	X	X			X		X		
Whitesburg Arh Hospital 240 Hospital Road whitesburg, KY 41858	X	X					X		
Williamson ARH Hospital 260 Hospital Drive south williamson, KY 41503	X	X					X		
Beckley ARH Hospital 306 Stanaford Road beckley, WV 25801	X	X					X		
Summers County ARH Hospital 1500 Terrace Street hinton, WV 25951	X	X			X		X		
ARH HAZARD FAMILY HEALTH SERVICES 200 MEDICAL CENTER DRIVE HAZARD, KY 41701									primary care center or clinic
ARH MCDOWELL PROFESSIONAL CLINIC 9879 KY RT 122 MCDOWELL, KY 41647									rural health clinic
ARH MORGAN COUNTY CLINIC 476 LIBERTY ROAD WEST liberty, KY 41472									rural health clinic
ARH TRI-CITY MEDICAL CENTER 18880 NORTH US 119 CUMBERLAND, KY 40823									primary care center/Rural health clinic
ARH TUG VALLEY MEDICAL ASSOCIATES 306 HOSPITAL DRIVE SOUTH williamson, KY 41503									rural health clinic
ARH WHITESBURG CLINIC 214 HOSPITAL ROAD WHITESburg, KY 41858									rural health clinic
ARH WOMEN'S AND FAMILY HEALTHCARE HARLAN 87 BALL PARK ROAD SUITE 201 HARLAN, KY 40831									PHYSician Clinic
NEON CLINIC 37 highway 343 NEON, KY 41840									Physician Clinic
BARIATRIC CLINIC 210 BLACK GOLD BOULEVARD SUITE 102 HAZard, KY 41701									PHYSician Clinic
ARH MIDDLESBORO INTERNAL MEDICINE 3004 CUMBERLAND AVENUE SUITE 3 MIDDLESboro, KY 40965									Physician Clinic
ARH SUMMERS COUNTY CLINIC 1500 Terrace Street HINTON, WV 25951									Physician Clinic
ARH OUTPATIENT PHARMACY 37 37 BALL PARK ROAD HARLan, KY 40831									PHARMACY
ARH TRI-CITIES CLINIC PHARMACY 18880 NORTH US 119 CUMBERLAND, KY 40823									PHARMACY
ARH JUNE BUCHANAN CLINIC PHARMACY ROUTE 550 COWTOWN ROAD HINDMAN, KY 41822									PHARMACY
HAZARD ARH REGNL MED CTR CLINIC PHARMACY 200 MEDICAL CENTER DRIVE HAZARD, KY 41701									PHARMACY
MIDDLESBORO ARH PHARMACY 3600 WEST CUMBERland Ave MIDDLESboro, KY 40965									PHARMACY
MORGAN COUNTY ARH PHARMACY 476 Liberty Road WESt liberty, KY 41472									PHARMACY
WHITESBURG ARH PHARMACY 240 HOspital Road WHITesburg, KY 41858									PHARMACY
ARH PRESCRIPTION DIVISION 306 HOSPITAL DRIVE SUITE 105 SOuth williamson, KY 41503									PHARMACY
BECKLEY ARH PHARMACY 250 STANAFORD ROAD BEckley, WV 25801									PHARMACY
MATEWAN ARH PHARMACY 7 MATEWAN STREET MATEWAN, WV 25678									PHARMACY
HARLAN ARH HOME HEALTH AGENCY 81 BALL PARK ROAD HARLAN, KY 40831									HOME HEALTH
HAZARD ARH HOME HEALTH AGENCY 100 AIRPORT GARDENS ROAD HAZard, KY 41701									HOME HEALTH
MCDOWELL ARH HOME HEALTH AGENCY 8535 KY RT 122 MINNE, KY 41651									HOME HEALTH
MIDDLESBORO ARH HOME HEALTH AGENCY 1916 CUMBERLAND AVENUE MIDDlesboro, KY 40965									HOME HEALTH
MORGAN COUNTY ARH HOME HEALTH AGENCY 493 MAIN STREET WESt liberty, KY 41472									HOME HEALTH
PIKEVILLE BRANCH-ARH PIKE CO HOME HEALTH 247 SOUTH MAYO TRAIL PIKEVILLE, KY 41502									HOME HEALTH
WHITESBURG ARH HOME HEALTH AGENCY 240 HOSPITAL ROAD WHITesburg, KY 41858									HOME HEALTH
WILLIAMSON ARH HOME HEALTH AGENCY 160 HOSPITAL DRIVE SOUTH williamson, KY 41503									HOME HEALTH
BECKLEY ARH HOME HEALTH AGENCY 306 Stanaford Road BEckley, WV 25801									HOME HEALTH
MAN ARH HOME HEALTH SUB-STATION BUFFALO CREEK ROAD/ROUTE 99 KISTLER, WV 25628									HOME HEALTH
ARH HARLAN HOMECARE STORE 106 RAILROAD STREET SUITE 5 HARLAN, KY 40831									HOME CARE
ARH HAZARD HOMECARE STORE 200 MEDICAL CENTER DRIVE HAZard, KY 41701									HOME CARE
ARH MCDOWELL HOMECARE STORE 8535 KY RT 122 MINNE, KY 41651									HOME CARE
ARH MIDDLESBORO HOMECARE STORE 1916 CUMBERLAND AVENUE MIDDlesboro, KY 40965									HOME CARE
ARH PIKEVILLE HOMECARE STORE 247 SOUTH MAYO TRAIL PIKEVILLE, KY 41501									HOME CARE
ARH WEST LIBERTY HOMECARE STORE 520 PRESTONBURG STREET WEST liberty, KY 41472									HOME CARE
ARH WHITESBURG HOMECARE STORE 240 HOspital Road WHITesburg, KY 41858									HOME CARE
ARH WILLIAMSON HOMECARE STORE 306 HOSPITAL DRIVE SUITE 104A SOUTH Williamson, KY 41503									HOME CARE
ARH BECKLEY HOMECARE STORE 260 STANAFORD ROAD BECKLey, WV 25801									HOME CARE
ARH HINTON HOMECARE STORE 1500 Terrace Street HINTON, WV 25951									HOME CARE
ARH MAN HOMECARE STORE ROUTE 99 BUFFALO CREEK ROAD KISTLER, WV 25628									HOME CARE
ARH PSYCHIATRIC CENTER- HAZARD 102 MEDICAL CENTER DRIVE HAZARD, KY 41701									PHARMACY
HARLAN ARH HOSPITAL PSYCHIATRIC SERVICES 81 BALL PARK ROAD HARlan, KY 40831									PHARMACY
BECKLEY ARH BEHAVIORAL SERVICES CENTER 306 STanaford Road BECKley, WV 25801									PHARMACY
ARH REFERENCE LABORATORY 100 MEDICAL Center Drive HAZARD, KY 41701									LAB

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

Part I, Line 3c. The discounts are based on a sliding fee schedule starting at 150% of FPG qualifying for free care, ranging up to unlimited income levels for a 40% discount on all uninsured care provided

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

Part I, Line 7 The cost-to-charge ratio was derived from worksheet 2

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

Part I, Line 7f \$57,567,407 is the bad debt expense included in total expense on the 990 Therefore, in order to calculate the percentages as directed in the instructions, that bad debt expense has been removed from total expenses for purposes of the calculation in column f

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

Part III, Line 4 To determine the bad debt expense on line 2, the bad debt expense per the financial statements, which consists of gross charges less discounts, was converted to cost using the global cost-to-charge ratio developed in Worksheet 2 Patient discounts are not reflected in bad debt Any payments on an account after it is written off to bad debt result in a reversal of the entire account out of bad debt, reinstatement of the patient account receivable, and any negotiated difference in the full amount of the account and the payment made is written off to contractual allowance Patients who may qualify for charity care but do not apply cannot be estimated All patients are educated about and given every opportunity to apply for charity care and, therefore, ARH has no information for those who choose not to apply Financial Statement Footnote related to bad debt expense The Corporation has an established process to determine the adequacy of the allowance for uncollectible accounts that relies on a number of analytical tools and benchmarks to arrive at a reasonable allowance No single statistic or measurement determines the adequacy of the allowance for uncollectible accounts Some of the analytical tools that the Corporation utilizes include, but are not limited to, historical cash collection experience by payor, revenue trends by payor classification and aged accounts from date of service by payor Accounts receivable are written off after collection efforts have been followed in accordance with the Corporation's policies

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

Part III, Line 8 In the fiscal year ending June 30, 2010, nearly one-half of the Corporation's patient revenues were derived from services provided to Medicare beneficiaries In turn, payments received by the federal government fell short of the cost to provide such services by more than \$10 million Medicare recipients rely heavily on ARH for care, in many of the communities it serves, ARH is the lone provider of acute hospital care The Corporation considers its participation in the Medicare program and the associated losses resulting thereof as an essential component of community benefit Accordingly, we deem that \$10,582,597 [or 100%] of the amount reported on Schedule H, Part III, Line 7 be treated as community benefit

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

Part III, Line 9b The policy provides that charity and financial assistance applications are valid for six months, after which time the patient must reapply and present current financial documents as necessary

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

Part V ARH additionally operates six support facilities and four clinics which are not required to registered or licensed with the state

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

Part VI, Line 3 Under ARH's financial assistance program and policy each patient without medical coverage for rendered services is offered a 40% discount of gross charges at time of service. If the patient extends payment at time of service they are given another 10% discount, making their liability 50% of gross charges. All of these discounts are applied at time of charge and billed after the discount is taken. If said patient is unable to meet the financial obligations for service, they are educated and screened for potential federal and/or state assistance programs. By doing this the patient is reviewed and educated by on-site financial counselors and/or eligibility agency to get the individual placed in a program. Based on income and family status the patient is screened in conjunction with the federal and state poverty guidelines. At this time, all applications are completed with the assistance of ARH personnel and submitted for approval. In the event an agency requires the patient/guarantor to apply in person the individual is asked to make an appointment with that agency and file their completed documents. If the responsible party is not eligible for federal or state assistance, they are additionally screened by ARH for eligibility into our internal sliding fee schedule charity program for additional discounts up to 100% of gross charges. If the patient is held responsible, additional efforts to assist the patient are offered by offering reasonable payment plans and deferred payments. In the event the patient/guarantor does not make a reasonable effort to complete necessary documentation to apply or become eligible for a financial assistance program they are then still given the initial 40% discount and moved through the normal collection process.

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

Part VI, Line 4 The rural service area covered by ARH in Eastern Kentucky and Southern West Virginia covers 16 counties and consists of almost 370,000 residents with 51 percent being female and 49 percent being male This region is fraught with some of the highest chronic health prevalence rates in the country for lung cancer, diabetes, and heart disease To compound these problems, most of ARH's facilities are located in areas that are at least partially classified as Medically Underserved Areas and Health Professional Shortage Areas by the U S Department of Health and Human Services In addition, the areas served by ARH also face unemployment rates that are substantially higher than state and national averages and a higher number of citizens in these areas rank below the national poverty level For example, in September 2010, the unemployment rate for Harlan County, Kentucky was 11 5 percent, compared to 9 8 percent for the state and 9 2 percent nationally For more than half a century, ARH has carried a heavy load in caring for this population Over 8 percent of ARH's inpatients in fiscal year 2010 were uninsured and during that same fiscal year more than 63 percent of ARH's inpatients were Medicare or Medicaid beneficiaries

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

Part VI, Line 6 Today, Appalachian Regional Healthcare continues its mission in the mountains by offering residents of Eastern Kentucky and Southern West Virginia a local option for quality healthcare services ARH holds steadfast to the mission to, "improve health and promote well-being of all the people in Central Appalachia in partnership with our communities "ARH has evolved into an integrated healthcare delivery system serving more than 350,000 residents and employing close to 4,700 people across Eastern Kentucky and Southern West Virginia with hospitals, clinics, home health agencies, pharmacies and home durable medical equipment stores ARH's nine hospitals range in size from critical-access facilities to the system's flagship regional medical center with 308-licensed beds in Hazard, Kentucky While providing this region with quality healthcare, ARH reinvests any earnings back into operations to further the system's efforts in improving and accessing healthcare services for the region Created to address the unmet health needs of an underserved region, ARH leadership and staff members realize that serving this population is about more than just addressing the health needs, it is also about preventing them Through partnerships with area schools, businesses, organizations and health departments, ARH is one of the primary sources for health education and disease prevention in each community and partners with all of these various community entities to further these efforts