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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	2,339,424			
	e	Government grants (contributions)	1e	1,428,005			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	171,348			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		3,938,777			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICES	621,500	672,200,303	670,070,746	2,129,557	
	b	WELLNESS PROGRAMS	621,990	4,229,251	4,229,251		
	c	P/S PROG SERV INCOME	561,000	1,449,659	1,362,711	86,948	
	d	LOSS ON LTD RETIREMENT	900,099	-3,028,733	-3,028,733		
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		674,850,480			
	3	Investment income (including dividends, interest and other similar amounts)		14,123,757		152	14,123,605
	4	Income from investment of tax-exempt bond proceeds		339,830			339,830
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross Rents	423,695				
	b	Less rental expenses	140,107				
	c	Rental income or (loss)	283,588				
	d	Net rental income or (loss)		283,588			283,588
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	1,543,695	39,140			
	b	Less cost or other basis and sales expenses		3,024			
	c	Gain or (loss)	1,543,695	36,116			
	d	Net gain or (loss)		1,579,811			1,579,811
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA SALES	722,210	3,929,282			3,929,282
	b	DIET/SECur/engin/OTHER	541,900	956,293		1,011,147	-54,854
	c	JCMC DAYCARE	624,410	956,121			956,121
	d	All other revenue		874,697		874,697	
	e	**Total.** Add lines 11a–11d		6,716,393			
	12	**Total revenue.** See Instructions		701,832,636	672,633,975	4,102,501	21,157,383

Part III Private Business Use *(Continued)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?	X									
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X								
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X									
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %									
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 ▶	0 010 %									
6	Total of lines 4 and 5	0 010 %									
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X									

Part IV Arbitrage

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

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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	(c) Corrected? No

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
DENNIS VONDERFECHT SPLIT DOLLAR LIFE INSUR LOAN		X	2,705,125	2,705,125		No	Yes		Yes	
DENNIS VONDERFECHT SPLIT DOLLAR LIFE INSUR LOAN		X	900,000	938,520		No	Yes		Yes	
DENNIS VONDERFECHT SPLIT DOLLAR LIFE INSUR LOAN		X	900,000	936,090		No	Yes		Yes	
Total . . . . . ▶ $				4,579,735						

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	(e) Sharing of organization's revenues? No
CLEM WILKES III	FAMILY MEMBER OF CLEM WILKES, JR , MSHA BOARD treasurer	43,172	CLEM WILKES, JR , treasurer OF THE MSHA BOARD OF DIRECTORS, IS A FAMILY MEMBER OF CLEM WILKES, III, AN EMPLOYEE OF MSHA		No
WATAUGA PATHOLOGY ASSOCIATES PC	PROVIDER OF MEDICAL SERVICES TO MSHA	467,225	DR SANDRA BROOKS, MEMBER OF THE MSHA BOARD OF DIRECTORS, IS An owner IN and serves as vice president of WATAUGA PATHOLOGY ASSOCIATES, P C , WHICH PROVIDES MEDICAL SERVICES TO MSHA		No
PULMONARY ASSOCIATES OF EAST TENNESSEE PC	PROVIDER OF MEDICAL SERVICES TO MSHA	96,299	DR JEFF FARROW, MEMBER OF THE MSHA BOARD OF DIRECTORS, IS An owner IN PULMONARY ASSOCIATES OF EAST TENNESSEE, P C , WHICH PROVIDES MEDICAL SERVICES TO MSHA		No
PAULA CLAYTORE	FAMILY MEMBER OF DALE CLAYTORE, MSHA KEY EMPLOYEE	201,835	DALE CLAYTORE, A KEY EMPLOYEE OF MSHA, IS A FAMILY MEMBER OF PAULA CLAYTORE, AN EMPLOYEE OF MSHA		No
WORKSPACE INTERIORS INC	PROVIDER OF COMMERCIAL FURNISHINGS TO MSHA	1,169,549	ROBERT FEATHERS, vice chair OF THE MSHA BOARD OF DIRECTORS, IS OWNER OF WORKSPACE INTERIORS, INC , WHICH PROVIDES COMMERCIAL FURNISHING PRODUCTS TO MSHA DURING FY10, MSHA COMPLETED CONSTRUCTION OF OUR NEW HOSPITAL, FRANKLIN WOODS COMMUNITY HOSPITAL MSHA PURCHASED FURNISHINGS FROM WORKSPACE INTERIORS, INC FOR THE NEW HOSPITAL TRANSACTIONS ARE CONDUCTED AT ARMS-LENGTH BASED UPON AN INDEPENDENT BIDDING PROCESS ONLY INDEPENDENT, DISINTERESTED MEMBERS OF THE BOARD REVIEW, APPROVE, AND OVERSEE ALL ASPECTS AND ALL ELEMENTS OF CONSTRUCTION CONTRACTS, WHICH INCLUDE FURNISHINGS RELATED TO NEW CONSTRUCTION		No

Additional Data

Software ID:
Software Version:
EIN: 62-0476282
Name: MOUNTAIN STATES HEALTH ALLIANCE

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SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

Identifier	Return Reference	Explanation
Form 990, Part I, Item C	Doing Business As	JOhnson City Specialty Hospital JOhnson county community hospital North side Hospital Russell County Medical Center Sycamore shoals hospital Indian Path Medical Center Woodridge Hospital for Behavioral Health Services

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		THE CORPORATION IS ORGANIZED AS A TENNESSEE NOT-FOR-PROFIT MEMBERSHIP CORPORATION FOR THE PAYMENT OF $100, AND APPROVAL BY THE BOARD OF DIRECTORS, AN INDIVIDUAL MAY BECOME A MEMBER OF THE CORPORATION

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		THE MEMBERS OF THE CORPORATION ANNUALLY ELECT MEMBERS OF THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		CERTAIN DECISIONS OF THE BOARD ARE, PURSUANT TO TENNESSEE STATUTE, SUBJECT TO APPROVAL BY THE MEMBERSHIP AS WELL THESE DECISIONS INCLUDE DISSOLUTION OF THE CORPORATION, MERGER OF THE CORPORATION, NON-ORDINARY COURSE OF BUSINESS SALE OF ASSETS, ETC NO ORDINARY DAY-TO-DAY DECISIONS ARE SUBJECT TO MEMBER APPROVAL

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		MSHA'S FORM 990 WAS REVIEWED BY MSHA'S BOARD OF DIRECTORS PRIOR TO SUBMITTING THE RETURN TO THE IRS MSHA'S CFO AND SENIOR VICE-PRESIDENT PRESIDED OVER THE BOARD REVIEW THE BOARD MEMBERS WERE PROVIDED ELECTRONIC ACCESS TO THE FORM 990 AND SCHEDULES PRIOR TO THE IN-PERSON REVIEW TO ALLOW MEMBERS ADEQUATE TIME TO LOOK OVER THE RETURN

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		ANNUALLY, THE AUDIT AND COMPLIANCE DEPARTMENT OF THE CORPORATION FORWARDS THE POLICY AND THE CONFLICT OF INTEREST DISCLOSURE FORMS TO ALL COVERED PERSONS EACH PERSON IS REQUIRED TO PROVIDE A COMPLETED DISCLOSURE FORM, NOTING ANY CONFLICTS OR ATTESTING THEY HAVE "NONE", AND THEN FORWARD THOSE BACK TO THE AUDIT AND COMPLIANCE DEPARTMENT ANY DISCLOSURES ARE FORWARDED TO THE APPROPRIATE MANAGEMENT OR BOARD PERSONNEL TO EVALUATE AND UTILIZE WHEN A TRANSACTION INVOLVING A CONFLICTED PERSON ARISES ADDITIONALLY, PERSONNEL WHO HAVE A CONFLICT ARISE BETWEEN THE ANNUAL DISTRIBUTION OF THE POLICY AND FORMS ARE REQUIRED TO DISCLOSE THE CONFLICT, AND WOULD BE DISCIPLINED IN ANY INSTANCE WHERE THEY HAVE NOT DISCLOSED AND ENGAGED IN A CONFLICTED TRANSACTION

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		THE COMPENSATION COMMITTEE, WHICH IS THE EXECUTIVE COMMITTEE OF THE MSHA BOARD, OBTAINS THE SERVICES OF AN OUTSIDE AND INDEPENDENT COMPENSATION CONSULTANT TO PROVIDE THE COMMITTEE WITH RELEVANT MARKET DATA FROM COMPENSATION SURVEYS AND WITH ADVICE WHEN THE COMMITTEE MAKES RECOMMENDATIONS ON PAY AND BENEFITS FOR THE CEO OF MSHA THE BOARD ALSO APPROVES PAY AND BENEFITS FOR THE CFO THE COMPENSATION COMMITTEE REVIEWS AND HAS FINAL APPROVAL OF CEO RECOMMENDATIONS FOR PAY AND BENEFITS FOR ALL OTHER EXECUTIVES

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE MADE AVAILABLE UPON REQUEST TO APPROPRIATE PARTIES REQUESTING THEM FINANCIAL STATEMENTS ARE MADE AVAILABLE UPON REQUEST TO APPROPRIATE PARTIES REQUESTING THEM, AND THEY ARE MADE AVAILABLE TO THOSE PARTIES WHO OWN INDEBTEDNESS OF THE COMPANY ON A QUARTERLY AND ANNUAL BASIS

Identifier	Return Reference	Explanation
FORM 990, PART VII, SECTION A,	officer, Key employee & highest paid compensation	IYNN KRUTAK, CFO AND MSHA KEY EMPLOYEE, IS PAID BY MSHA BLUE RIDGE MEDICAL MANAGEMENT CORPORATION (BRMMC) REIMBURSES MSHA FOR 50% OF KRUTAK'S SALARY AND BENEFITS MSHA IS THE SOLE MEMBER OF BRMMC KRUTAK DEVOTES AN EQUAL AMOUNT OF TIME BETWEEN MSHA AND BRMMC STEVE KILGORE, REPORTABLE AS A HIGHEST COMPENSATED EMPLOYEE, IS PAID BY MSHA AND HIS SALARY AND BENEFITS ARE FULLY REIMBURSED TO MSHA BY BRMMC MSHA BOARD MEMBER, DR JEFF FARROW, HAS FORM 990 REPORTABLE COMPENSATION DERIVED FROM MEDICAL SERVICES HE PROVIDES TO A MSHA HOSPITAL HE DOES NOT RECEIVE COMPENSATION FOR HIS SERVICES AS A MSHA BOARD MEMBER DR WILLIAM WALKER, MSHA BOARD MEMBER, HAS REPORTABLE COMPENSATION AND BENEFITS PAID BRMMC DR WALKER IS A CARDIOVASCULAR THORACIC SURGEON IN A MEDICAL PRACTICE OWNED BY BRMMC HE DOES NOT RECEIVE COMPENSATION FOR HIS MSHA BOARD SERVICE CERTAIN EXECUTIVES OF THE ORGANIZATION, SUCH AS THE CEO AND SR VP/CFO, PROVIDE SERVICES TO SOME OR ALL OF THE ORGANIZATIONS RELATED TO MOUNTAIN STATES HEALTH ALLIANCE THESE EXECUTIVES DO NOT ALLOCATE THEIR HOURS BETWEEN THE VARIOUS ORGANIZATIONS

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 2C,	Audit committee	The audit committee's oversight and selection processes did not change during the tax year

Identifier	Return Reference	Explanation
Schedule K Supplental Information		1 Comment on Schedule K, Part I, Lines B, C, D, and E Mountain States Health Alliance owns and/or operates hospitals in a number of different locations both in Tennessee and in Virginia As a result, Mountain States Health Alliance must utilize conduit governmental bond issuers in a number of jurisdictions in order to finance improvements to its hospital facilities In 2007, 2008, 2009 and 2010, Mountain States Health Alliance was the conduit borrower of tax-exempt bonds issued by multiple issuers in Tennessee and Virginia For federal tax purposes, even though different government issuers were involved, these multiple issues in each year were required to be treated, and were treated, as a single "issue" because they met the single "issue" test under the applicable federal tax regulations Therefore, multiple issuers are listed under lines B, C, D and E because the bonds that were issued were part of a single "issue" for federal tax purposes 2 Comment on Schedule K, Part II, Line 2 Certain proceeds of the bond issues listed in lines B, C, and F are deposited in reasonably required reserve funds, the size of each of which complies with federal tax regulations The amounts shown on Line 2 of Part II of Schedule K include proceeds held in those funds These lines also include a small amount of investment earnings relative to these funds that had not yet been moved as of the end of the applicable reporting period to another fund to be used to pay debt service, as is permitted under the applicable bond documents Line 2 of Part II of Schedule K for the bond issue described in line F also includes certain monies held in a bona fide debt service fund 3 Comment on Schedule K, Part II, Line 6 The bond issue described in line D of Part I financed a small amount of working capital expenditures These working capital expenditures directly related to the capital expenditures that were financed with the proceeds of the bonds Therefore the proceeds of these bonds could be allocated to such working capital expenditures pursuant to Section 1 148-6(d)(3)(v) of the Treasury Regulations 4 Comments on Schedule K, Part IV, Line 1 As of the reporting date of the 990, the only arbitrage rebate calculation that was required related to the bonds described in Line F of Part I (the Series 2006 Bonds) Mountain States Health Alliance retained a rebate calculation agent to calculate whether any arbitrage rebate was due with respect to those bonds, and there was negative arbitrage rebate liability in a significant amount Therefore, no Form 8038-T was required to be filed with respect to that bond issue 5 Comment on Schedule K, Part IV, Line 4d Part IV, Line 4d relative to the bond issue described on Line F shows that the regulatory safe harbor for establishing fair market value of the GIC described in Line 4a was not satisfied Due to market conditions at the time, Mountain States Health Alliance did not receive three bids for this GIC However, the yield on the GIC was so substantially below the yield on the relevant bonds that there was no doubt that the yield on the GIC did not exceed the appropriate yield on the relevant bonds 6 Comment on Schedule K, Part IV, Line 5 The bond issues described in Lines E and F of Part I financed significant capital improvements to hospital facilities There have been unexpected delays in the construction and equipping of certain of these hospital facilities, and therefore not all of the bond proceeds were spent within the three-year temporary period relative to construction projects However, Mountain States Health Alliance has yield restricted these proceeds after the end of the applicable temporary period and/or will be making a yield reduction payment with respect to those proceeds, if required Portions of the bond issues described in Lines D and E were partially refunded by the bonds described in Line B (the Series 2010 Bonds), so some of the proceeds of the bonds described in Line E and Line F have become transferred proceeds of the Series 2010 Bonds (and are reported under the appropriate lines for the Series 2010 Bonds)

Identifier	Return Reference	Explanation
form 990, part I, line I,	mission & significant activities	MOUNTAIN STATES HEALTH ALLIANCE (MSHA) IS COMMITTED TO OUR MISSION OF BRINGING LOVING CARE TO HEALTH CARE WE EXIST TO IDENTIFY AND RESPOND TO THE HEALTHCARE NEEDS OF INDIVIDUALS AND COMMUNITIES IN THE 29-COUNTY AREA WE SERVE, HELPING THEM ATTAIN THEIR HIGHEST LEVEL OF HEALTH MSHA DELIVERS THIS CARE THROUGH THE PHILOSOPHY OF PATIENT-CENTERED CARE, AND THE DEVELOPMENT OF COMPREHENSIVE STRATEGIC PLANNING AND IMPLEMENTATION NEAR THE END OF FY10, MSHA COMPLETED CONSTRUCTION OF A NEW REPLACEMENT HOSPITAL, FRANKLIN WOODS COMMUNITY HOSPITAL (FWCH), A CERTIFIED "GREEN" FACILITY AND THE FIRST "GREEN" HOSPITAL IN THE STATE OF TENNESSEE FWCH OPENED IN EARLY FY11 AND WILL REPLACE NORTH SIDE AND SPECIALTY HOSPITALS IN JOHNSON CITY IN ADDITION TO THE COMPLETION OF FWCH DURING FY10, CONSTRUCTION ON A REPLACEMENT HOSPITAL FOR JOHNSTON MEMORIAL HOSPITAL WAS ONGOING THROUGHOUT THE REPORTING PERIOD AND DESIGN WORK WAS STARTED ON A REPLACEMENT FACILITY FOR SMYTH COUNTY COMMUNITY HOSPITAL AS WELL BOTH HOSPITALS ARE LOCATED IN VIRGINIA AND MAJORITY OWNED BY MSHA MSHA OFFERS UNIQUE SERVICES TO THE BROAD COMMUNITY WITH OUR NISWONGER CHILDREN'S HOSPITAL THROUGH NISWONGER CHILDREN'S HOSPITAL, THE ST JUDE CHILDREN'S HOSPITAL AFFILIATE CLINIC, WE PROVIDE THE REGION'S ONLY CHILDREN'S EMERGENCY DEPARTMENT NISWONGER CHILDREN'S ALSO PROVIDES AN N I C U , WHICH IS THE STATE DESIGNATED PERINATAL CENTER FOR THIS REGION MSHA OFFERS THE LARGEST AIR AMBULANCE SERVICE IN THE REGION WITH WINGS AIR RESCUE COVERING THE ENTIRE 29-COUNTY SERVICE AREA MSHA HAS MADE TREMENDOUS FINANCIAL INVESTMENTS TO NURSING PROGRAMS AT EAST TENNESSEE STATE UNIVERSITY AND LOCAL COLLEGES IN OUR REGION EACH PROGRAM WAS TARGETED TO INCREASE THE NUMBER OF RN STUDENTS AND GRADUATES MSHA'S NURSING SCHOLARSHIP PROGRAM HAS BEEN SO SUCCESSFUL THAT IN FY10, MSHA WAS ABLE TO ELIMINATE CONTRACT RNS, PRODUCING A LABOR SAVINGS OF $9 MILLION WHILE PROVIDING EXCELLENT NURSE CARE AT THE BEDSIDE TO MEET ITS MISSION CLINICALLY, MSHA IS INVOLVED IN NUMEROUS QUALITY INITIATIVES AROUND THE UNITED STATES, BENCHMARKING AND IMPROVING PATIENT OUTCOMES AT OUR ACUTE CARE FACILITIES THESE EFFORTS HAVE GENERATED NATIONAL, STATE AND REGIONAL RECOGNITIONS AS MSHA CONTINUES TO IMPROVE ITS PROCESSES AND OUTCOMES IN FEBRUARY 2010, MSHA WAS FORMALLY RECOGNIZED BY THE TENNESSEE CENTER FOR PERFORMANCE EXCELLENCE AS THE RECIPIENT OF THE 2009 EXCELLENCE AWARD MSHA PREVIOUSLY RECEIVED THIS RECOGNITION IN 2005, THUS MAKING MSHA THE ONLY HEALTHCARE ORGANIZATION IN TENNESSEE TO RECEIVE THIS RECOGNITION TWICE TWO MSHA HOSPITALS, INDIAN PATH MEDICAL CENTER AND NORTH SIDE HOSPITAL, RECEIVED THE QUEST PROJECT'S QUALITY OF CARE TOP PERFORMER AWARDS IN ALL 5 FOCUS AREAS 1) EVIDENCE BASED CARE, 2) MORTALITY REDUCTION, 3) COST OF CARE, 4) REDUCTION OF HARM, AND 5) PATIENT EXPERIENCE OUR MISSION DIRECTS THE SYSTEM TO IDENTIFY AND RESPOND TO THE HEALTHCARE NEEDS OF INDIVIDUALS AND COMMUNITIES IN OUR REGION AS A RESULT, MSHA FINANCIALLY SUPPORTS MANY NON-PROFIT ORGANIZATIONS COMMITTED TO MEDICAL ASSISTANCE TO THE UNINSURED/UNDERINSURED AS WELL AS PROGRAMS TO IMPROVE THE OVERALL HEALTH AND WELLNESS OF OUR REGION

Identifier	Return Reference	Explanation
Form 990, Part I, Line 6,	VOLUNTEERS	Mountain States Health Alliance Auxiliary (Auxiliary) supports the numerous hospitals within the Mountain States Health Alliance (MSHA) system The Auxiliary is a very active organization that constantly looks for and solicits recommendations on activities that will benefit MSHA hospitals, patients and their families, and the community Since MSHA has numerous hospitals of varying size and services, the opportunity to provide assistance is tremendous and the Auxiliary often tailors its activities to the unique needs within a specific hospital Although we report active volunteers of 1,464 on page 1, line 6, we actually have closer to 3,500 volunteers We only keep precise records for the active members who work regularly scheduled hours For example, our volunteers that do needlework, sewing, etc in their home are not counted Our active volunteers served 194,497 hours during FY10 Our volunteers give much to MSHA and the communities MSHA serves Survey results from an evaluation completed by our volunteers indicate that 100% would recommend volunteering at a MSHA hospital to their friends Some of the activities provided by the Auxiliary volunteers during FY10 are reported below Musical Entertainment Taped concerts and performances by local individuals and groups The tapes are played on a newly developed volunteer music channel at Johnson City Medical Center (JCMC) A musical events calendar is maintained on the intranet for all hospitals and in the daily "MSHA Moment" - an informational communication to all team members Sunday afternoon musical performances are given at 5 MSHA hospitals A harmonica player walks the halls and provides harmonica music He will go in any patient room when the patient/patient family requests and he gives out free harmonicas with bedside lessons especially for children at our Niswonger Children's Hospital These harmonica lessons are also helpful to heart patients who are having trouble using their breathing device Visual Arts The Auxiliary prepares a rotating art exhibit at JCMC and Indian Path Medical Center (IPMC) We have certified master gardener volunteers at JCMC, IPMC, and Princeton Transitional Care Literary Arts A reading program is provided for the patients at Niswonger Children's Hospital Culinary Arts Volunteers bake and deliver cookies daily to JCMC and IPMC Volunteers arrive early each morning to bake the cookies The cookies are wrapped and delivered to Surgery, ICU, Heart Cath, and ER waiting rooms A variety of snacks and meals are delivered to Norton Community Hospital family kitchens Goody basket deliveries are made to JCMC's ICU waiting room Creative Arts Volunteers from area church groups make quilts and personal care kits for ER patients at IPMC Volunteers create coloring books for waiting areas All newborns receive hand-knitted or crocheted baby hats and many receive blankets and/or booties All babies born during December receive a handmade, over-sized Christmas stocking Volunteers begin working on the stockings in the summer and complete over 400 stockings The babies are often sent home nestled in the stocking Volunteers make IV covers, soft caps for oncology patients, and heatable baby positioning pads Special entertainment for children includes volunteer clowns and Santa Both Santa and the clowns make monthly visits Volunteers make pillows for bariatric patients Community Involvement Volunteers are available 7 days a week, 24 hours a day for Niswonger Children's Hospital NICU This program's purpose is to hold and comfort babies in the NICU and is aptly called the NICU "Cuddler Program" The Auxiliary maintains a program for heart patients called "Mended Hearts" Mended Hearts has 19 trained volunteers to visit with cardiac patients before and after open heart surgery every day They also have monthly support meetings with programs on heart health and offer another class every six weeks to the Cardiac Rehab program This program served 1,094 patients and family members Courtesy carts and a van are operated by volunteers to transport patients and visitors to any door at JCMC JCMC is a large hospital with multiple entry points and parking can be a good distance away from the facility This transport program has been very well received by our patients and their visitors The carts and van operate 7 days a week from 9 a m to 7 p m Franklin Woods Community Hospital (FWCH) FWCH is a brand-new MSHA hospital We are very proud of this new facility, which is a certified "green" hospital Prior to opening in the summer of 2010, the Auxiliary volunteer team assisted FWCH in several ways The Auxiliary assisted with recruitment efforts through radio advertisement, website support, recruitment fairs, presentations to community groups, and placement of flyers throughout our service areas Volunteers served as mock patients in diagnostic imaging to prepare FWCH staff for actual patients The Navigator Program was staffed by Auxiliary volunteers to assist with pre-opening and opening events and tours to the general public Equipment has been purchased by the Auxiliary to provide cookie baking for this hospital and will be operational once approval is received from the fire marshal Various other equipment was purchased for this new hospital to promote continuing volunteer services Also, pet therapy volunteers have been trained and a year round junior volunteer program is just taking off

Identifier	Return Reference	Explanation
form 990, part III, line 4a,	statement of program service accomplishments (continued)	MSHA also provides access to several online health information services My Health News allows access to health information topics and services that matter to the user This service sends up-to-date information from national health resources tailored to individual needs MSHA provides access to KidsHealth, a service that provides practical parenting information and news This service also provides homework help for kids and straight talk answers for teens MSHA also partners with A D A M to provide the Health Encyclopedia This service is one of the most respected and credible online medical resources in the world and offers access to 4,000 articles on health and wellness and covers more than 1,500 medical topics MSHA provides CME and CEU opportunities with MedNewsPlus for physicians and nurses free of charge The service is open to any physician or nurse in the region and offers CME and CEU credits MSHA also provides links to helpful health-related sites on the internet Patient Care Services Data shows that the health status of MSHA's service area is generally poor MSHA's service area consists of counties in Tennessee and Southwest Virginia Among the 50 states, Tennessee ranked 44th and Virginia ranked 21st in terms of health status Some of the overwhelming health issues in our service area include 1 High prevalence of obesity 2 High infant mortality 3 High rate of cigarette smoking 4 Poor air quality 5 Low rate of diabetic care 6 High rate of uninsured 7 Low level of education 8 High rate of deaths due to cardiovascular conditions, cancer and diabetes Given this health profile, MSHA exists to identify and respond to the healthcare needs of all individuals and communities in the region and to assist them in attaining their highest possible level of health MSHA lives its mission to bring loving care to health care in our region MSHA operates on a non-discriminatory basis, providing quality health care to all patients regardless of race, religion, gender, ethnicity, disability, age or ability to pay Charity and Unreimbursed Costs Charity Care While reimbursement for healthcare services rendered is critical to the operation and sustainability of the organization, MSHA recognizes its obligation to provide care to individuals who cannot afford essential medical services, including emergency care A patient is classified as a charity patient by reference to established policies of MSHA and guidelines outlined by the federal government However, financial assistance decisions are not solely based on income Unique financial circumstances are weighed with verified patient assets which can determine financial assistance eligibility It is not until after verification of income and assets that a decision as to the amount of write-off will be made In fiscal year 2010, MSHA incurred a loss of $10,245,255 attributable to the provision of free care to indigent patients Governmental Program Enrollees MSHA provides care to persons covered by governmental programs, including Medicare and Medicaid and State-funded TennCare In FY10, the unreimbursed cost of services provided to this patient population was $2,574,662 (Medicare, based on Medicare allowable costs), $4,926,881 (Medicaid) and $23,780,966 (TennCare) Bad Debt MSHA provides an increasing level of service to self-pay patients for which it receives little or no payment During FY10, bad debts resulted in unreimbursed costs of $16,796,337 Promote Community Health MSHA offers many reduced-price or free services and programs year-round in care settings that it established to accommodate the widely scattered, aging and socioeconomically disadvantaged population Such programs serve bona fide community health needs and result in financial losses to the organization Wings Air Rescue (Wings), the region's only emergency medical helicopter service, is considered by MSHA to be a regional asset Licensed by the state of Tennessee and the Commonwealths of Kentucky and Virginia, Wings provided air transport of critically ill and injured patients to the closest tertiary facilities, including non-MSHA facilities 51% of their patients are from trauma scenes, with others being cardiac, OB, pediatric and medical During FY09, Wings transported 1,540 patients and made 9 search and rescue flights at a net operating loss of $817,335 to MSHA Ask-A-Nurse Medical Call Center is a 24-hour toll-free medical information line Experienced registered nurses answer calls and provide invaluable health information They manage physician-approved patient triage services, make individual callbacks for pediatric and adult patients with serious symptoms, and coordinate patient transports and emergency department access In FY10, Ask-A-Nurse handled 57,507 calls including 4,355 physician referrals MSHA incurred an expense of $615,325 to provide this service at no cost to the community During FY10, MSHA opened the doors of a satellite Dispensary of Hope The Dispensary of Hope provides prescription drugs to those who may not have otherwise been able to afford needed medications The site has its own pharmacy, a part-time pharmacist, a full-time pharmacy tech and a social worker/receptionist The local Dispensary of Hope will be staffed, in part, by volunteer pharmacists from the community and will serve as a training site for the Bill Gatton College of Pharmacy at East Tennessee State University During FY10, MSHA incurred unreimbursed expenses of $201,099 for this program The Health Resources Center (HRC) is a community outreach service provided by MSHA The HRC is conveniently located in the region's largest shopping mall The HRC offers free classes, blood pressure checks, informational materials and resources as well as a number of other services in an effort to meet community members' basic health and health education needs The HRC had 25,208 visits to their office and performed 2,016 health screenings The HRC also hosted more than 7,940 attendees who participated in monthly health education programs The HRC also provides outreach services where they screened an additional 3,498 community members The uncompensated cost of HRC was $373,448 MSHA's Community Health and Wellness Screening Center (CHAWS) works with local schools and businesses as well as individual community members to provide onsite health education programs, perform health assessments and offer healthy lifestyle counseling In FY10, CHAWS provided 1,146 screenings with an unreimbursed expense of $286,412 Based on community needs, MSHA incurred an expense of $198,868 to recruit physicians into clinical/geographical areas that were federally designated as medically underserved MSHA incurred an additional expense of $1,687,521 to recruit physicians into other areas serviced by MSHA Johnson County Community Hospital (JCCH) is a federally designated critical access hospital This facility is located in one of Tennessee's poorest counties and provides emergency, inpatient and outpatient care to the county's residents, many of whom are over 65 years old JCCH continues to be designated as a physician shortage area for many specialties JCCH operates a Physician Specialty Clinic, which incurred an operating loss of $59,577 in FY10 The specialty clinic includes gastrointestinal, OB/GYN, general surgery, podiatry and other specialty services This continues to be a valuable resource to the residents of the area by aiding with transportation issues (other physician offices are located more than an hour away), resolving access limitations for specialty services, and providing relief to the special health problems of a largely elderly population Rural life often includes hazardous occupations such as farming, which increases the risk for chronic respiratory diseases and cancer-related illnesses caused by fertilization and other chemicals This rural population has a higher incidence of cardiovascular disease due to diet and genetic predisposition Given these factors, rural hospitals must remain flexible and diverse in their facilities and the services they offer the community MSHA remains firm in the belief that financially supporting the services of JCCH and the specialty clinic to assist residents in attaining a high level of health continues to be a core value of our business and community support MSHA operates a rural health clinic located in St Paul, VA, on the border of Wise and Russell counties Riverside Clinic first opened in 1991 to provide primary care services to this elderly, underserved population The clinic's largest payor is Medicare, which accounts for more than 40% of their patients During FY10, the clinic had 10,900 outpatient visits During FY10, Riverside Clinic incurred unreimbursed expenses of $527,715

Identifier	Return Reference	Explanation
form 990, part III, line 4a,	statement of program service accomplishments (continued)	MSHA has partnered with the company MedAssist to work with self-paying patients who have limited financial resources During FY10, MedAssist representatives were available at all MSHA facilities for daily interaction and financial screening of patients MedAssist representatives were able to determine governmental medical assistance (TennCare or Medicaid) eligibility, and to help with the application process and follow-up During FY10, 4,334 potentially eligible patients took advantage of MedAssist's help, and of those patients who applied for TennCare or Virginia Medicaid coverage, 2,382 (55%) were approved for coverage Once a person is approved for TennCare or Medicaid through the MedAssist program offered through MSHA, they retain coverage for future medical care MedAssist is compensated by MSHA During FY10, MSHA's cost for this program was $732,865 MSHA worked with GOJO, the makers of Purell, to implement a hand sanitizer program MSHA provided 3,000 bags of Purell alcohol gel to hundreds of elementary, middle schools and high schools in our region This initiative was a proactive measure by MSHA against the 2009-2010 flu season in an attempt to improve school attendance by lowering absenteeism due to illness In the schools where they aggressively implemented the gel units and measured the absenteeism, double digit improvements were recorded During FY10, MSHA re-supplied our local schools systems with hand sanitizer at an expense of $10,283 MSHA also gifts the land lease to the Ronald McDonald House at a fair market value of $60,000 The Ronald McDonald House is located on the campus of Niswonger Children's Hospital and Johnson City Medical Center MSHA contributed $50,000 to CareSpark CareSpark was established in 2005 to explore ways to share health information securely, efficiently and cost-effectively CareSpark was initiated by volunteers with the Community Health Improvement Partnership, who had been working together for more than a decade through the local non-profit citizen organization, Kingsport Tomorrow, to develop collaborative processes to improve health within the community MSHA contributed $30,000 to the ETSU Foundation to support the Johnson City Downtown Clinic The Johnson City Downtown Clinic was originally established to serve the needs of the local homeless population in Johnson City and has expanded over the past nearly 15 years to include the uninsured, underinsured, TennCare enrollees, a growing Hispanic population, and medically indigent individuals MSHA contributed $25,000 to Susan G Komen Breast Care Foundation Susan G Komen is the global leader of the breast cancer movement and the world's largest grassroots network of breast cancer survivors and activists Community Contributions As the second largest employer in the region, MSHA is one of the area's principle benefactors and has made corporate citizenship an integral part of its culture From system-wide initiatives to individual efforts of caring team members, its aim is to enrich the communities that the organization serves MSHA's commitment includes financial contributions, in-kind (non-cash) contributions and leadership resources within three broad categories of giving 1) Direct contributions that support community healthcare needs and those nonprofit agencies that advocate the health and well-being of community members, 2) MSHA-run and MSHA-supported programs that contribute to the health and well-being of area residents, and 3) Education/training, both as a community citizen and as an employer 1) Direct Contributions - In-Kind and Cash MSHA leaders support and encourage all team members to volunteer time, money and skills to community service projects and charitable organizations Senior leaders and board members set a positive example for MSHA team members, serving voluntarily on committees and managing boards of local service and nonprofit organizations Many also serve as members and consultants on professional committees and task forces that affect regional development in health care and education Team members served the Boys & Girls Club, Kiwanis Clubs, Rotary Clubs, Susan G Komen Breast Cancer Foundation, Economic Development Steering Committee for Washington County, Junior Achievement, Salvation Army, American Heart Association, Hands On! Museum, Kingsport Tomorrow Inc , Appalachian Mountain Project Access, Washington County Emergency Medical Services, Washington County Veteran's Memorial Committee of the Johnson City Parks and Recreation Foundation, Eating Disorders Coalition of Tennessee, Johnson City Symphony Orchestra, Dawn of Hope, United Way, Chamber of Commerce Boards, and many others Although MSHA did not fully monitor these activities during FY10 to tabulate the total financial cost, the amount would be significant since some of these team members devoted two weeks of normal work time to outside charitable activities Summary List of Charitable Giving In FY10, MSHA provided cash and in-kind support to numerous health and human service agencies, including, but not limited to, the following recipients Major programs are described in more detail in the sections that follow - CareSpark - $50,000 - ETSU Foundation - $30,000 - Tennessee Technology Center - $25,000 - Susan G Komen Breast Cancer Foundation - $25,000 - Wellmont Foundation Inc - $15,000 - East Tennessee State University - $12,450 - American Heart Association - $10,700 - Geisinger Health System Foundation - $10,000 - Johnson City Parks & Recreation - $5,152 - Children's Advocacy Center - $1,000 - American Cancer Society - $1,212 - March of Dimes - $1,037 MSHA, in collaboration with area health agencies and providers, may offer assistance with coordination, advocacy and publicity, provide space, or contribute supplies to support groups for their program activities MSHA values social responsibility and is committed to community health and health education Annually, MSHA makes generous monetary donations to area health and human service agencies whose programs are specifically designed to provide for the healthcare needs of the homeless, indigent and underserved populations Throughout the year, MSHA makes contributions to local schools and organizations that provide educational and social support for young people Some of the contributions to youth programs include - Regional County and City Schools - $16,727 - Hands On! Regional Museum - $12,000 - Johnson City Public Library - $500 - Carter County Imagination Library - $500 - Coalition for Kids - $1,240 - Boys to Men - $1,032 - Girls Inc - $536 One MSHA response to the region's high incidence rate of childhood obesity was to contribute $10,250 to East Tennessee State University's Fit Kids program MSHA contributes annually to local chapters of several national nonprofit organizations whose research focuses on those diseases and conditions most prevalent in the region FY10 - Susan G Komen Breast Cancer Foundation - $25,000 - American Heart Association - $10,700 - American Cancer Society - $1,212 - March of Dimes - $1,037 - United Way - $1,357 2) Community Programs Demographic studies and a customer market needs analysis, performed annually during strategic planning, indicate the necessity of having a wide array of free and price-reduced services that are well-situated for easy access from rural, mountainous areas MSHA has given high priority to investments in community outreach, and as a result, has established councils and departments whose focus is to translate findings into viable healthcare programs both for the community at large and for populations with special needs

Identifier	Return Reference	Explanation
form 990, part III, line 4a,	statement of program service accomplishments (continued)	Among initiatives and ongoing services that promote community health and social wellbeing are disease management, wellness programs, health-related education sessions by MSHA nurses, staff physicians, nutritionists, and other specialists, health screenings and support MSHA also offers special programs for youth, the elderly, the disabled and the medically underserved During FY09, MSHA continued the largest community health needs assessment in its history in an effort to profile the health of the residents within the local region This assessment specifically focused on MSHA's 13-county core service area, which includes, but is not limited to, all the counties in which MSHA has a facility The seven Tennessee counties included in this needs assessment were Carter County, Greene County, Hawkins County, Johnson County, Sullivan County, Unicoi County and Washington County The other six Virginia counties are located in Southwest Virginia After analyzing the many health disparities in the region, MSHA chose childhood obesity as its health priority MSHA collaborated with East Tennessee State University's College of Public Health to develop the MSHA-ETSU Obesity Collaborative The focus of this collaborative is to pull together many partners and organizations to reduce the level of childhood obesity throughout Northeast Tennessee and Southwest Virginia MSHA provided the funding and coordination, while ETSU worked on research efforts This initiative provided funding for up to 25 micro-grants of $2,000 each to local community organizations such as churches, community groups, schools and employers that want to explore childhood obesity reduction efforts In FY10, MSHA and ETSU named the Obesity Collaborative "HEAL Appalachia" - HEAL, standing for "Healthy Eating Active Living " MSHA received over 100 applications for the micro-grants The applicants awarded the grants were announced at a regional health symposium focusing on obesity During FY10 MSHA spent $18,615 on coordinating the HEAL program and hosting the symposium and paid 20 of the 25 grants, or $40,000 MSHA's total FY10 cost $58,615 The HEAL Appalachia committee will evaluate local program grant recipients as to their ability to make a measurable impact on the level of childhood obesity throughout the region This committee will then make recommendations to executive leadership as to how MSHA should continue to direct financial support for successful programs Programs for the community at large MSHA's Congestive Heart Failure Program is a multidisciplinary effort disease management program involving physicians, Cardiovascular Services, Home Health, Ask-A-Nurse Call Center and other hospital support groups By integrating its call center into a telehealth program for congestive heart failure patients, MSHA's program has become a leader in disease management and was named the "Best Collaboration in Disease Management in the Nation" by the Disease Management Association of America Of the 82 program participants in FY10, 54% had no Emergency Department visits or hospital admissions for any reason and 85% had no CHF admission after enrollment into the program The FY10 unreimbursed cost to MSHA was $51,900 In addition to the health screenings and support groups offered through the Health Resources Center, described above, a variety of screenings, support groups, health education, and health fairs were provided at a cost of more than $54,403 These activities include providing community health education on such topics as orthopedics, pre- and post- natal, nutrition, sleep disorders, behavioral health issues, cardiovascular health, and many others In addition to health education, MSHA provided free blood pressure screenings and colorectal screenings, for specific populations as well as physicals for pee-wee and high school football players in Johnson County The Hospice Program offers extended 13-month bereavement support rather than the required 12-month period, thus supporting families during the anniversary month of the patient's death, which can be a challenging time Also provided is a Celebration of Life program for families of former hospice patients and the community at large The Parish Nurse Program is sponsored by MSHA's Home Health organization, with goals of recruiting area churches and registered nurses to the program and providing participants with education about parish nursing Parish nursing is an amalgam of social work, good neighboring and nursing It supports, educates and counsels those with healthcare needs from within their places of worship A few of the services provided by parish nurses are blood drives, flu shots, health screenings, health fairs and monthly blood pressure clinics Several of the nurses are certified to teach CPR and First Aid at no cost to participants MSHA provides the Parish Nurse Program with coordinators, sponsored orientation, monthly educational programs and other support functions Currently, there are 26 churches participating in Tennessee and six in Southwest Virginia with parish nurses on staff MSHA's FY10 cost for the Parish Nurse program was $60,685 The Respond Department at Woodridge Hospital (WH) offer assessments and referrals for individuals dealing with mental health issues and substance abuse Professional staff includes behavioral health counselors and RNs who are available 24 hours a day, seven days a week to answer calls from the community concerning treatment Throughout the assessment process, Respond collaborates with a psychiatrist to determine the most appropriate level of care The Respond Department at WH incurred unreimbursed costs of $911,861 during FY10 MSHA provided staff to local agencies, councils and other charitable organizations to assist with leadership programs, planning, service on steering committees and participation with special events Examples include American Red Cross blood drives, Healthy Babies Day, the American Cancer Society leadership council and others at a cost to MSHA of $33,508 We feel sure this amount is underreported due to the difficulty in tracking team members' many activities In FY10, local health departments solicited help from MSHA to assist with H1N1 vaccination MSHA was able to coordinate a response to this request by providing nurses to administer shots The cost of providing vaccination assistance was $14,601 Programs for Special Populations Due to the use of emergency departments as walk-in clinics by the poor and underserved, MSHA has helped establish and finance alternative care settings such as the ETSU College of Nursing's Downtown Clinic in Johnson City, TN The Downtown Clinic is dedicated to serving the primary needs of the homeless, indigent and uninsured populations, providing them with free laboratory testing and assistance with their diagnosis and treatments MSHA gifts the clinic rent, which is valued at a discounted $35,000 annually MSHA has an agreement with the Downtown Clinic to process their lab specimens as well as provide some diagnostic imaging services to clinic patients at no cost to the patient or the clinic In FY10, the cost associated with the Clinic's lab testing was $63,516 and the cost of diagnostic imaging services was $17,291 These expenses are included in MSHA's Charity write-offs During FY10, MSHA also contributed an additional $30,000 contribution to assist with the Clinic's operations MSHA's service area comprises a stable, aging population, so the organization has established a number of programs to serve the needs of senior citizens An example of a senior program is the Pinnacle Club - a community outreach program for service-area seniors that offers monthly health-related events and fellowship opportunities at Johnson City Medical Center, Indian Path Medical Center, Russell County Medical Center and Sycamore Shoals Hospital Benefits include health screenings, free annual lab screenings, and discounted first-time enrollment fees at our Wellness Center and Franklin Fitness Center There are currently 1,878 members The club sponsors health fairs, the Senior Expo, and monthly educational luncheons in Kingsport, Johnson City, and Elizabethton, TN, and in Lebanon, VA The club also provides free notary services, socials, travel opportunities and discounts through numerous vendors During FY10, MSHA incurred a net operating loss of $82,879 attributable to its support of the program 3) Education and Training Community Health Educational Programs MSHA provided a variety of wellness and health information to help educate area residents about community-specific health issues Information was provided through printed materials, speaking engagements, radio and television interviews, and health fairs and expos

Identifier	Return Reference	Explanation
form 990, part III, line 4a,	statement of program service accomplishments (continued)	MSHA accepted invitations to speak on health-related topics at various community organizations and schools A variety of topics were presented such as skin care, stress management, nutrition, weight management, preventive care measures, care of aging parents and others Youth education programs were presented to students ranging from kindergarten to college and were designed to promote safety at play, age-appropriate health issues, illness and injury prevention techniques, nutrition, and the dangers of tobacco, alcohol and drug use Dietitians gave talks, provided food demonstrations to various groups and visited area schools to discuss nutrition Home Health, Hospice and Parish Nursing also provided numerous speaking engagements The cost of providing these speaking engagements was approximately $60,162 MSHA's American Heart Association (AHA) Training Center offered several courses to healthcare providers and to the public in an effort to expand the outreach of the American Heart Association and MSHA in promoting wellness and saving lives Programs include Advanced Cardiac Life Support, Basic Cardiac Life Support, Pediatric Advanced Life Support, First Aid and Life Support Instructor training The FY10 unreimbursed cost to provide the educational courses to the public was $139,876 Important to the efficient and safe operation of the air ambulance is a clear understanding of how to clear and prepare landing zones and appropriate methods for communicating with air helicopter pilots at accident scenes and transport sites During FY10, Wings Air Rescue made 139 training runs to area Emergency Medical Service facilities to perform training of EMS crews

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
MOUNTAIN STATES HEALTH ALLIANCE

Employer identification number
62-0476282

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
DICKENSON COMMUNITY HOSPITAL PO BOX 1440 HOSPITAL DRIVE CLINTWOOD, VA 24228 77-0599553	HOSPITAL	VA	501(C)(3)	LINE 3	NORTON COMMUNITY HOSPITAL
MOUNTAIN STATES FOUNDATION 2335 KNOB CREEK ROAD STE 101 JOHNSON CITY, TN 37604 58-1418862	FUNDRAISING FOR MSHA HOSPITALS	TN	501(C)(3)	LINE 11A	N/A
MSHA AUXILIARY 400 N STATE OF FRANKLIN ROAD JOHNSON CITY, TN 37604 58-1418345	SUPPORTING ORGANIZATION TO MSHA HOSPITALS	TN	501(C)(3)	LINE 11A	N/A
SMYTH COUNTY COMMUNITY HOSPITAL 565 RADIO HILL ROAD MARION, VA 24354 54-0794913	HOSPITAL	VA	501(C)(3)	LINE 3	N/A
NORTON COMMUNITY HOSPITAL 100 15TH STREET NW NORTON, VA 24273 54-0566029	HOSPITAL	VA	501(C)(3)	LINE 3	N/A
JOHNSTON MEMORIAL HOSPITAL 351 COURT STREET NW ABINGDON, VA 24210 54-0544705	HOSPITAL	VA	501(C)(3)	LINE 3	N/A
ABINGDON PHYSICIAN PARTNERS 351 COURT STREET NW ABINGDON, VA 24210 20-5485346	MEDICAL SERVICES	VA	501(C)(3)	LINE 11A	JOHNSTON MEMORIAL HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No
INTEGRATED SOLUTIONS HEALTH NETWORK LLC 400 N STATE OF FRANKLIN RD JOHNSON CITY, TN37604 62-1711997	INVESTMENT COMPANY	TN	N/A	(D)	7,186	2,229,938		No			No
EMMAUS COMMUNITY HEALTHCARE PLLC 6070 HWY 11E PINEY FLATS, TN37686 20-0577483	MEDICAL SERVICES	TN	N/A								

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
BLUE RIDGE MEDICAL MANAGEMENT CORPORATION 1021 W OAKLAND AVE STE 207 JOHNSON CITY, TN37604 62-1490616	PHYSICIAN OFFICES	TN	N/A	C	59,122,424	188,408,632	100 000 %
MEDISERVE MEDICAL EQUIPMENT OF KINGSPORT 1021 W OAKLAND AVE STE 103 JOHNSON CITY, TN37604 62-1212286	DURABLE MEDICAL EQUIPMENT CO	TN	BLUE RIDGE MEDICAL MGMT CORP	C	4,504,773	3,698,034	100 000 %
MOUNTAIN STATES PROPERTIES 1021 W OAKLAND AVE STE 207 JOHNSON CITY, TN37604 62-1845895	PROPERTY MANAGEMENT	TN	BLUE RIDGE MEDICAL MGMT CORP	C	12,637,251	147,225,234	100 000 %
BLUE RIDGE PHYSICIAN GROUP 1019 W OAKLAND AVE STE 5 JOHNSON CITY, TN37604 62-1700412	HEALTHCARE SERVICES	TN	BLUE RIDGE MEDICAL MGMT CORP	C	28,664,168	3,115,353	100 000 %
COMMUNITY HOME CARE INC 1460 PARK AVENUE NORTON, VA24273 54-1453810	MEDICAL EQUIP SALES & RENTAL	VA	NORTON COMMUNITY HOSPITAL	C	325,299	336,250	50 100 %
COMMUNITY PHYSICIANS SERV CORP 100 15TH STREET NW NORTON, VA24273 54-1641446	MEDICAL SERVICES	VA	NORTON COMMUNITY HOSPITAL	C	27,385	4,994	50 100 %
SOUTHWEST COMMUNITY HEALTH SERV 565 RADIO HILL RD PO BOX 880 MARION, VA24354 54-1460695	MEDICAL SERVICES	VA	SMYTH CO COMMUNITY HOSPITAL	C	338,242	895,562	80 000 %

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

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1) See Additional Data Table		
(2)		
(3)		
(4)		
(5)		
(6)		

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

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

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

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 62-0476282
Name: MOUNTAIN STATES HEALTH ALLIANCE

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
DICKENSON COMMUNITY HOSPITAL PO BOX 1440 HOSPITAL DRIVE CLINTWOOD, VA24228 77-0599553	HOSPITAL	VA	501(C)(3)	LINE 3	NORTON COMMUNITY HOSPITAL
MOUNTAIN STATES FOUNDATION 2335 KNOB CREEK ROAD STE 101 JOHNSON CITY, TN37604 58-1418862	FUNDRAISING FOR MSHA HOSPITALS	TN	501(C)(3)	LINE 11A	N/A
MSHA AUXILIARY 400 N STATE OF FRANKLIN ROAD JOHNSON CITY, TN37604 58-1418345	SUPPORTING ORGANIZATION TO MSHA HOSPITALS	TN	501(C)(3)	LINE 11A	N/A
SMYTH COUNTY COMMUNITY HOSPITAL 565 RADIO HILL ROAD MARION, VA24354 54-0794913	HOSPITAL	VA	501(C)(3)	LINE 3	N/A
NORTON COMMUNITY HOSPITAL 100 15TH STREET NW NORTON, VA24273 54-0566029	HOSPITAL	VA	501(C)(3)	LINE 3	N/A
JOHNSTON MEMORIAL HOSPITAL 351 COURT STREET NW ABINGDON, VA24210 54-0544705	HOSPITAL	VA	501(C)(3)	LINE 3	N/A
ABINGDON PHYSICIAN PARTNERS 351 COURT STREET NW ABINGDON, VA24210 20-5485346	MEDICAL SERVICES	VA	501(C)(3)	LINE 11A	JOHNSTON MEMORIAL HOSPITAL

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income ($)	(g) Share of end-of-year assets ($)	(h) Percentage ownership
BLUE RIDGE MEDICAL MANAGEMENT CORPORATION 1021 W OAKLAND AVE STE 207 JOHNSON CITY, TN37604 62-1490616	PHYSICIAN OFFICES	TN	N/A	C	59,122,424	188,408,632	100 000 %
MEDISERVE MEDICAL EQUIPMENT OF KINGSPORT 1021 W OAKLAND AVE STE 103 JOHNSON CITY, TN37604 62-1212286	DURABLE MEDICAL EQUIPMENT CO	TN	BLUE RIDGE MEDICAL MGMT CORP	C	4,504,773	3,698,034	100 000 %
MOUNTAIN STATES PROPERTIES 1021 W OAKLAND AVE STE 207 JOHNSON CITY, TN37604 62-1845895	PROPERTY MANAGEMENT	TN	BLUE RIDGE MEDICAL MGMT CORP	C	12,637,251	147,225,234	100 000 %
BLUE RIDGE PHYSICIAN GROUP 1019 W OAKLAND AVE STE 5 JOHNSON CITY, TN37604 62-1700412	HEALTHCARE SERVICES	TN	BLUE RIDGE MEDICAL MGMT CORP	C	28,664,168	3,115,353	100 000 %
COMMUNITY HOME CARE INC 1460 PARK AVENUE NORTON, VA24273 54-1453810	MEDICAL EQUIP SALES & RENTAL	VA	NORTON COMMUNITY HOSPITAL	C	325,299	336,250	50 100 %
COMMUNITY PHYSICIANS SERV CORP 100 15TH STREET NW NORTON, VA24273 54-1641446	MEDICAL SERVICES	VA	NORTON COMMUNITY HOSPITAL	C	27,385	4,994	50 100 %
SOUTHWEST COMMUNITY HEALTH SERV 565 RADIO HILL RD PO BOX 880 MARION, VA24354 54-1460695	MEDICAL SERVICES	VA	SMYTH CO COMMUNITY HOSPITAL	C	338,242	895,562	80 000 %

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)
(1)	MOUNTAIN STATES PROPERTIES	G	4,952,775
(2)	MOUNTAIN STATES PROPERTIES	J	1,550,138
(3)	MOUNTAIN STATES PROPERTIES	K	280,937
(4)	MOUNTAIN STATES PROPERTIES	N	53,164
(5)	MOUNTAIN STATES PROPERTIES	O	58,752
(6)	MOUNTAIN STATES PROPERTIES	P	504,170
(7)	MEDISERVE	J	205,325
(8)	MEDISERVE	P	398,461
(9)	SMYTH COUNTY COMMUNITY HOSPITAL	A	717,517
(10)	SMYTH COUNTY COMMUNITY HOSPITAL	K	2,988,762
(11)	SMYTH COUNTY COMMUNITY HOSPITAL	Q	3,143,999
(12)	DICKENSON COMMUNITY HOSPITAL	K	392,804
(13)	JOHNSTON MEMORIAL HOSPITAL	B	4,571,429
(14)	JOHNSTON MEMORIAL HOSPITAL	K	3,998,831
(15)	JOHNSTON MEMORIAL HOSPITAL	O	68,700
(16)	JOHNSTON MEMORIAL HOSPITAL	P	326,906
(17)	JOHNSTON MEMORIAL HOSPITAL	Q	1,688,162
(18)	MOUNTAIN STATES FOUNDATION	B	780,502
(19)	MOUNTAIN STATES FOUNDATION	C	2,319,016
(20)	BLUE RIDGE MEDICAL MGMT CORP	G	64,070
(21)	BLUE RIDGE MEDICAL MGMT CORP	K	4,200,738
(22)	BLUE RIDGE MEDICAL MGMT CORP	L	17,624,563
(23)	BLUE RIDGE MEDICAL MGMT CORP	N	210,568
(24)	BLUE RIDGE MEDICAL MGMT CORP	P	6,716,791
(25)	MOUNTAIN STATES HEALTH ALLIANCE AUXILIARY	O	106,396
(26)	MOUNTAIN STATES HEALTH ALLIANCE AUXILIARY	P	160,865
(27)	NORTON COMMUNITY HOSPITAL	K	1,303,051
(28)	INTEGRATED SOLUTIONS HEALTH NETWORK LLC	L	113,442
(29)	INTEGRATED SOLUTIONS HEALTH NETWORK LLC	P	206,926

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Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

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

OMB No 1545-0172

2009

Attachment Sequence No **67**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
MOUNTAIN STATES HEALTH ALLIANCE		62-0476282

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount See the instructions for a higher limit for certain businesses	1	250,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6			

7 Listed property Enter the amount from line 29	7		
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8		
9 Tentative deduction Enter the **smaller** of line 5 or line 8	9		
10 Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10		
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11		
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12		
13 Carryover of disallowed deduction to 2010 Add lines 9 and 10, less line 12 ▶	13		

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not** include listed property **)** (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III **MACRS Depreciation (Do not** include listed property.**)** (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2009	17	104,180
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶		

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Non-Res Prop Type 1 count 0 Non-Res Prop Type 2 count 0 Non-Res Prop Totals count 0

Part IV **Summary** (see instructions)

22 **Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	104,180
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

21 Listed proper

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						**28**		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							**29**	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions)					
43 Amortization of costs that began before your 2009 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	

Additional Data

Software ID:
Software Version:
EIN: 62-0476282
Name: MOUNTAIN STATES HEALTH ALLIANCE

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			
DENNIS VONDERFECHT PRESIDENT/CEO	60 00	X		X				964,066	0	40,201
CAMERON PERRY DIRECTOR	1 00	X						0	0	0
WILLIAM WALKER MD DIRECTOR	1 00	X						0	577,986	1,928
BARBARA ALLEN SECRETARY	1 00	X						0	0	0
JEFF FARROW MD DIRECTOR	1 00	X						35,713	0	0
JOHN CAMPBELL Director	1 00	X						0	0	0
SANDRA BROOKS MD Director	1 00	X						0	0	0
DON JEANES DIRECTOR	2 00	X						0	0	0
MAUREEN MACIVER CHAIR	1 00	X						0	0	0
GARY PEACOCK DIRECTOR	1 00	X						0	0	0
CLEM WILKES JR TREASURER	1 00	X						0	0	0
Robert FEATHERS VICE CHAIR	2 00	X						0	0	0
BILL HAWKINS JR DIRECTOR	1 00	X						0	0	0
MIKE CHRISTIAN DIRECTOR	1 00	X						0	0	0
MARVIN EICHORN SR VP/CFO	60 00			X				649,704	0	213,607
DALE CLAYTORE AVP	55 00				X			205,724	0	10,656
JOHN DOYLE AVP/CFO IPMC	55 00				X			200,804	0	30,897
ANN FLEMING SR VP	60 00				X			427,191	0	59,477
CANDACE JENNINGS SR VP/CEO WASHINGTON CO	60 00				X			379,905	0	54,298
LYNN KRUTAK AVP/CFO	58 00				X			234,263	0	30,184
MONTY MCLAURIN VP/CEO IPMC	46 00				X			345,168	0	52,598
CINDY SALYER VP CARDIO/PULMONARY	40 00				X			251,254	0	40,467
JOHN MELTON SR VP/CEO	3 40				X			2,205,600	0	15,133
SHANE HILTON CFO-TN	50 00				X			176,949	0	28,519
KENNETH MARSHALL MD SR VP/CMO	40 00					X		451,033	0	21,731

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			
STEVE KILGORE PRESIDENT/CEO BRMMC	60 00					X		297,288	0	45,268
JAMIE PARSONS VP H/R	50 00					X		281,728	0	28,304
CHAO LEE MD PHYSICIAN	50 00					X		310,545	0	14,168
KATHRYN WILHOIT CNO	60 00					X		264,734	0	35,105

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

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
MEDICAL SUPPLIES & DRUG	129,702,248	129,407,850	293,492	906
TAXES - UBIT	65,000		65,000	
REPAIRS & MAINTENANCE	13,401,647	12,958,124	430,637	12,886
BAD DEBTS	3,821,964	3,819,759	2,205	
RECRUITMENT & RETENTION	1,524,671	1,010,471	513,940	260

Additional Data

Software ID:
Software Version:
EIN: 62-0476282
Name: MOUNTAIN STATES HEALTH ALLIANCE

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)
INDIAN PATH MEDICAL CENTER 2000 BROOKSIDE DRIVE KINGSPORT,TN 37660	X	X		X			X		
INDIAN PATH TRANSITIONAL 2000 BROOKSIDE DRIVE KINGSPORT,TN 37660									SKILLED NURSING
JOHNSON CITY MEDICAL CENTER 400 N STATE OF FRANKLIN ROAD JOHNSON CITY,TN 37604	X	X	X	X		X	X		REHABILITATION & MENTAL HEALTH HOSPITALS
JCMC AMBULATORY SURGERY 400 N STATE OF FRANKLIN ROAD JOHNSON CITY,TN 37604		X							AMBUL SURG CNTR
JOHNSON CITY SPECIALTY HOSPITAL 203 E WATAUGA AVENUE JOHNSON CITY,TN 37601	X	X							
JOHNSON COUNTY COMMUNITY HOSPITAL 1901 S SHADY STREET MOUNTAIN CITY,TN 37683	X				X		X		
JOHNSON COUNTY HOME HEALTH 1987 S SHADY STREET MOUNTAIN CITY,TN 37683									HOME HEALTH
MEDICAL CENTER HOME CARE - JOHNSON CITY 101 MED TECH PKWY STE 100 JOHNSON CITY,TN 37604									HOME HEALTH
MEDICAL CENTER HOME CARE - KINGSPORT 2020 BROOKSIDE DRIVE 28 KINGSPORT,TN 37660									HOME HEALTH
MEDICAL CENTER HOSPICE 101 MED TECH PKWY STE 100 JOHNSON CITY,TN 37604									HOSPICE
MOUNTAIN STATES DIAGNOSTIC CENTER 1 PROFESSIONAL PARK DRIVE 16 JOHNSON CITY,TN 37604									LICENSED OP DIAGNOSTIC CENTER
NORTH SIDE HOSPITAL 401 PRINCETON ROAD JOHNSON CITY,TN 37602	X	X					X		
PRINCETON TRANSITIONAL 401 PRINCETON ROAD JOHNSON CITY,TN 37602									SKILLED NURSING
RUSSELL COUNTY MEDICAL CENTER 58 CARROLL STREET LEBANON,VA 24266	X	X					X		
RUSSELL CO MEDICAL CENTER HOME HEALTH 116 FLANNAGAN AVENUE LEBANON,VA 24266									HOME HEALTH
RUSSELL COUNTY MEDICAL CENTER HOSPICE 116 FLANNAGAN AVENUE LEBANON,VA 24266									HOSPICE
SYCAMORE SHOALS HOSPITAL 1501 W ELK AVENUE ELIZABETHTON,TN 37643	X	X					X		
FRANKLIN TRANSITIONAL 2511 WESLEY STREET JOHNSON CITY,TN 37601									SKILLED NURSING
MTN STATES IMAGING CNTR AT MED TECH PARK 301 MED TECH PKWY STE 100 JOHNSON CITY,TN 37604									LICENSED OP DIAGNOSTIC CENTER

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

Part I, Line 7 A cost to charge ratio was derived from the Schedule H applicable worksheets, including Worksheet 2, Ratio of Patient Care Cost to Charges

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

Part I, Line 7g JOHNSON COUNTY COMMUNITY HOSPITAL, A FEDERALLY DESIGNATED CRITICAL ACCESS HOSPITAL, operates a Physician Specialty Clinic, which incurred an operating loss of $59,577 for the twelve months ending June, 2010 The specialty clinic includes cardiology, OB/GYN, general surgery, vascular surgery, neurology, oncology, podiatry and other specialty services This continues to be a valuable resource to the residents of the area by aiding with transportation issues (other offices are more than an hour away), resolving access limitations for specialty services, and providing relief to the special health problems of a largely elderly population Russell county medical center operates a rural health clinic located in St Paul, VA, on the border of Wise and Russell counties Riverside Clinic first opened in 1991 to provide primary care services to this elderly underserved population The clinic's largest payor is Medicare, which accounts for more than 40% of their patients During the the 12-month reporting period, the clinic had 10,900 outpatient visits and incurred unreimbursed expenses of $527,710

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

Part I, Line 7f Bad Debt expense of $3,821,964 is included in the Statement of Functional Expenses on Form 990, part IX, line 25, but has been subtracted for purposes of calculating percentages on part 1, line 7, column f

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

Part III, Line 4 Worksheet A was used for Part III, lines 2 and 3 in determining bad debt at cost MSHA follows the Healthcare Financial Management Association's Principles and Practices Board issued Statement 15 Valuation and Financial Statement Presentation of Charity Care and Bad Debts by Institutional Healthcare Providers ("the Statement") The Statement provides guidance on collectability criteria and emphasizes revenue recognition only when collections are reasonably assured To further explain MSHA's reporting of bad debt expense, MSHA's financial statements account for Bad Debt in two locations First, a deduction from revenue line item called "Contra-Revenue" contains the majority of MSHA's self-pay estimated bad debt For fiscal year 2010, 95% of total bad debt was moved to this line This percentage is simply an estimate of what Patient Financial Services anticipates will not be collected after all debt collection efforts have been exhausted This estimate is based on historical information The remaining 5% of bad debt is recorded in the expense section appropriately called "Bad Debt "The footnotes to the audited financial statements states "Current operations include a provision for bad debts in the Consolidated Statements of Operations and Changes in Net Assets estimated based upon the age of the patient accounts receivable, prior experience and any unusual circumstances (such as local, regional or national economic conditions) which affect the collectability of receivables, including management's assumptions about conditions it expects to exist and courses of action it expects to take "Regarding line 3, it is implausible to determine the amount of MSHA's Bad Debt expense associated with those clients who may have met the criteria set forth in our financial assistance policy without having a completed financial assessment We are unable to determine our patient's financial circumstances unless a completed financial assessment form is voluntarily provided to us We can assert that more than 90% of our patients who have provided completed financial assessment forms have been approved for at least partial financial assistance 16% of those patients approved for financial assistance were Bad Debt transfers We find it unreasonable to apply either of these percentages to our bad debt population as there are many additional variables that must be considered Our Vice President of Patient Financial Services conservatively estimates that 60% of total bad debt expense was assumed attributable to clients potentially eligible for financial assistance

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

Part III, Line 8 Medicare allowable costs were reported using JMH's filed Medicare Cost Report (C/R) The C/R uses a cost to charge ratio based on a step down method In caring for the patient, there are several services that are considered non-allowable such as transportation of a patient, comfort items to include a television, magazines, or a telephone Additional non-allowable costs include the recruitment of physicians, physician guarantees and a portion of the Bad Debt (30%) associated with the care of the patient Medicare losses, including some non-allowable costs, should be counted as a community benefit as this is the cost of care for serving the aging population As a not-for-profit organization, we exist to identify and respond to the health care needs of the community and the individual while maintaining a high level of health care services without losses Since losses do occur through the CMS system of reimbursement, these losses are a cost of doing business for our community and should be considered a community benefit As a participating provider in the Medicare program, JMH is required to provide the full regimen of care for our Medicare population There are a number of care regimens that are compensated by the Medicare program at levels below our cost Therefore it is only logical to allow JMH to report these uncompensated services as a community benefit on this document By making this change, non-profit providers will be encouraged to sustain important care delivery models for our aging population in spite of the fact it is sometimes economically injurious

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

Part III, Line 9b MSHA follows a strong collection program that communicates financial responsibility to the patient prior to service Collection practices apply to all patients, charity and non-charity In routine circumstances when it is determined that a patient has not responded to requests for payment, an account can be referred to an outside collection agency for collection assistance MSHA ensures that outside collection agencies follow hospital billing and collection guidelines Once a delinquent patient account has been submitted to an outside collection agency it can be retracted if it is determined that the patient is eligible for financial assistance All requests for financial assistance must be accompanied by a completed financial assessment form and supporting documentation

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

Part VI, Line 8 MSHA submits Community Benefit data to the Virginia Health and Hospital Association (VHHA) and the Hospital Alliance of Tennessee (HAT) VHHA combines data from all sources to demonstrate the Community Benefits provided by both for-profit and not-for-profit hospitals and health systems to the state of Virginia HAT provides its members and Tennessee legislators with Community Benefit data in an effort to provide a clear picture of not-for-profit health system's investment in the communities they serve

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

Part VI, Line 2 During fiscal year 2008 and fiscal year 2009, MSHA conducted the largest community health needs assessment in its history in an effort to profile the health of the residents within the local region The assessment focused on state, regional, and county specific data collection This assessment also included primary data collected through approximately 50 one-on-one interviews Those interviewed were individuals from around the region which included local and state government officials, health department representatives, physicians, general public, local industry, civic organizations, education officials, and community resource groups This information was collected, and then analyzed, and a summary of the findings was listed in an effort to obtain a more detailed snapshot specific to each county located throughout the MSHA service area This information was reviewed by MSHA's Strategic Planning Team along with Government Relations and Quality Departments The MSHA steering committee identified childhood obesity as the health disparity targeted for improvement During fiscal year 2009, MSHA began collaborative efforts with East Tennessee State University's College of Public Health to develop the MSHA-ETSU Obesity Collaborative Committee The focus of this committee is to pull together many partners and organizations in collaboration to reduce the level of childhood obesity throughout Northeast Tennessee and Southwest Virginia During fiscal year 2010, the committee offered 25 seed grants of $2,000 each to local community organizations such as churches, community groups, schools, and employers that want to explore obesity reduction efforts In addition to the grants program, an annual symposium is provided free to the region and available to residents and community groups National, regional, and local experts share information on trends regarding childhood obesity and proven community-based strategies to reduce the prevalence

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

Part VI, Line 3 MSHA provides communication of financial assistance on its web site and on posters placed in prominent areas such as Admitting areas, Emergency Departments and patient payment (cashier) locations Printed educational materials including financial assistance contact information are also provided in the patient's admitting paperwork Posters and reference materials are written in both English and Spanish Admitting staff are trained to educate patients on MSHA's Financial Assistance Policy MSHA also has Financial Counselors which communicate the patient's financial responsibility prior to service as well as provide education on MSHA's financial assistance policy These counselors also help uninsured patients determine sources of payment for medical bills and help patients determine eligibility for programs such as TennCare or Medicaid In addition, MSHA contracts with the company MedAssist to work with self-paying patients who have limited financial resources MedAssist determines a patient's eligibility in medical coverage options and assists with their enrollment MSHA bears the cost for the MedAssist program

Form 990 Schedule H, Part VI - Supplemental Information, Line 5

Part VI, Line 5 MSHA leaders support and encourage all employees to volunteer time, money, and skills to community service projects and charitable organizations Senior leaders and board members set a positive example for MSHA employees by serving voluntarily on committees and managing boards of local service and nonprofit organizations Many also serve as members and consultants on professional committees and task forces that affect regional development in health care, and education Employees served the Boys & Girls Club, Kiwanis Clubs, rotary clubs, Susan G Komen Breast Cancer Foundation, Economic Development Steering Committee for Washington County, the Tennessee Valley Corridor, Junior Achievement, Salvation Army, American Heart Association, Hands On! Museum, Kingsport Tomorrow Inc , Carter County Tomorrow, Appalachian Mountain Project Access, Washington County Emergency Medical Services, Appalachian Regional Coalition on Homelessness, Washington County Veteran's Memorial Committee of the Johnson City Parks and Recreation Foundation, Eating Disorders Coalition of Tennessee, Johnson City Symphony Orchestra, Dawn of Hope, United Way, Chamber of Commerce Boards, and many others Some of these employees devoted two weeks of normal work time to outside charitable activities MSHA provides sponsorships and offers assistance with coordination, advocacy, and publicity, provides space, or contributes supplies to support community organizations for their program activities MSHA provides staff at their expense to local agencies, community advisory boards, councils, and other organizations to assist with leadership programs, planning, committee participation, and assistance with special events Examples include American Red Cross blood drives, Imagination Library Steering Committee, Ronald McDonald House Board, United Way Board, and others Physician recruitment for a federally underserved area is reported in Community Building and makes up the majority of the total expense reported on Schedule H, Part II Without MSHA's dedication to rural health, there would not be an adequate number of physicians to serve this patient population MSHA supports the economic development of the region by providing financial support as well as paid employee's time to serve on economic development boards Evidence shows that a healthy economy relates to a healthier population

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

Part VI, Line 6 The majority of MSHA's governing body is comprised of persons who reside in the organization's primary service area Only two employees are on the MSHA Board of Directors the CEO paid by MSHA and a physician who is paid by a related organization Physicians that request privileges who are qualified and credentialed are extended privileges by MSHA MSHA is dedicated to operating our facilities efficiently so that waste is minimized and surpluses may be applied to maintaining adequate facilities and equipment for the care for our patients Various checks and balances are established to ensure that expenditures for operating expenses and capital costs are reasonable and necessary

Form 990 Schedule H, Part VI - Supplemental Information, Line 7

Part VI, Line 7 Mountain States Health Alliance (MSHA) provides care to people in 29 counties in Tennessee, Virginia, Kentucky, and North Carolina Each hospital is fully accredited, most by The Joint Commission MSHA is integrated both vertically and horizontally and is the largest regional healthcare system with 14 hospitals 10 facilities are wholly-owned and 4 are majority owned This Form 990 encompasses 10 wholly-owned facilities 9 facilities in Tennessee and 1 in Virginia Each facility in this form 990 is accredited by The Joint Commission with the exception of JCCH JCCH receives certification through the State of Tennessee since it is a critical access hospital In addition to the wholly-owned hospitals in this reporting FEIN, MSHA also has majority ownership in 4 hospitals in Southwest Virgina In addition to our acute care hospitals, our system also includes such services as primary / specialty physician practices, urgent care centers, emergency departments, occupational medicine, rehabilitation, transplant, outreach laboratory, mental health, neonatal intensive care, a NACHRI affiliated children's hospital, renal dialysis, St Jude's oncology, inpatient / outpatient surgery, skilled nursing, home health, air ambulance transport, an organ transplant department, and more With these additional facilities and services, MSHA extends a highly effective health care delivery system Since our system is both horizontally and vertically integrated, patients can be efficiently moved along an integrated, comprehensive continuum of care as their health status dictates Our flagship facility, Johnson City Medical Center is at the core of our system offering full service tertiary care In addition to our hospitals, MSHA is the sole member of Blue Ridge Medical Management Corporation (BRMMC) MSHA extends an integrated healthcare delivery system through BRMMC to include multiple primary and specialty care patient access centers and numerous outpatient care sites, including urgent care centers, occupational medicine services, a same day surgery center, and outpatient rehabilitation MSHA county-specific operations are governed by a Community Board of Directors County Boards report to a system level Board of Directors All boards are primarily composed of local community residents