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Form 990

## Return of Organization Exempt From Income Tax

OMB No 1545-0047

2009

Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung  
benefit trust or private foundation)

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

A For the 2009 calendar year, or tax year beginning

07/01/2009, and ending

06/30, 2010

<input type="checkbox"/> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization CLEARWATER VALLEY HOSPITAL AND CLINICS, INC			D Employer identification number 82-0497771
	Doing Business As			
	Number and street (or P O box if mail is not delivered to street address) 301 CEDAR AVE			E Telephone number (208) 476-4555
	Room/suite			
	City or town, state or county, and ZIP + 4 OROFINO, ID 83544			F Gross receipts \$ 18,199,195. H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
	F Name and address of principal officer COLLEEN MEZA 301 CEDAR AVE OROFINO, ID 83544			
I Tax-exempt status <input checked="" type="checkbox"/> X 501(c)(3) (insert no) 4947(a)(1) or 527	J Website: ► WWW.SMH-CVHC.ORG	K Form of organization <input checked="" type="checkbox"/> X Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►	L Year of formation 1957	M State of legal domicile ID N/A

**Part I Summary**

Activities & Governance	1 Briefly describe the organization's mission or most significant activities SEE SCHEDULE O										
Revenue	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.										
	3 Number of voting members of the governing body (Part VI, line 1a)	4 Number of independent voting members of the governing body (Part VI, line 1b)	5 Total number of employees (Part V, line 2a)	6 Total number of volunteers (estimate if necessary)	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7b Net unrelated business taxable income from Form 990-T, line 34	3 13	4 10	5 208	6 78	7a 0
Expenses	8 Contributions and grants (Part VIII, line 1h)	Prior Year		Current Year							
	9 Program service revenue (Part VIII, line 2g)	199,614.		176,553.							
Net Assets or Fund Balances	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	16,994,734.		17,967,211.							
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,769.		29,872.							
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	37,265.		33,613.							
		17,238,382.		18,207,249.							
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.		0.							
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.		0.							
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	10,026,531.		10,629,159.							
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.		0.							
	b Total fundraising expenses, Part IX, column (D), line 25 ► 68,628.	6,589,768.		7,060,085.							
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	16,616,299.		17,689,244.							
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	622,083.		518,005.							
	19 Revenue less expenses Subtract line 18 from line 12										
	<b>RECEIVED</b>										
		Beginning of Year		End of Year							
		8,552,135.		8,683,473.							
		3,480,073.		3,093,750.							
		5,072,062.		5,589,723.							

**Part II Signature Block**

OGDEN, UT

IRS-OSC

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

Sign Here

► *Lenne J. Bonner*  
Signature of officer15/3/11  
Date► *Lenne J. Bonner, CFO*  
Type or print name and title

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

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.\*

Form 990 (2009)

GJ 25

**Part III Statement of Program Service Accomplishments****1 Briefly describe the organization's mission**

SEE SCHEDULE O

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

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

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

If "Yes," describe these changes on Schedule O

**4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses**  
Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported**4a (Code \_\_\_\_\_) (Expenses \$ 15,463,340. including grants of \$ 0 ) (Revenue \$ 17,967,211 )**  
SEE SCHEDULE O**4b (Code \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_ ) (Revenue \$ \_\_\_\_\_ )****4c (Code \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_ ) (Revenue \$ \_\_\_\_\_ )****4d Other program services (Describe in Schedule O )**

(Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_ ) (Revenue \$ \_\_\_\_\_ )

**4e Total program service expenses ► 15,463,340.**

## Part IV Checklist of Required Schedules

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

## Part IV Checklist of Required Schedules (continued)

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

## Part V Statements Regarding Other IRS Filings and Tax Compliance

	Yes	No
1a Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable.	1a	16
1b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	208
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)</i>	2b	X
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	X
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b If "Yes," enter the name of the foreign country ► See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts	5a	X
5b	X	
5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>	7a	X
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7b	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	X
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
d If "Yes," indicate the number of Forms 8282 filed during the year.	7e	X
e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7h	
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	8	
<b>8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9a	
<b>9 Sponsoring organizations maintaining donor advised funds.</b>	9b	
a Did the organization make any taxable distributions under section 4966?	10a	
b Did the organization make a distribution to a donor, donor advisor, or related person?	10b	
<b>10 Section 501(c)(7) organizations.</b> Enter.	11a	
a Initiation fees and capital contributions included on Part VIII, line 12	11b	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	12a	
<b>11 Section 501(c)(12) organizations.</b> Enter	12b	
a Gross income from members or shareholders		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year		

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

### Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body . . . . .	1a 13	
b	Enter the number of voting members that are independent . . . . .	1b 10	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	2 X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	3 X	
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . . . . .	4 X	
5	Did the organization become aware during the year of a material diversion of the organization's assets? . . . . .	5 X	
6	Does the organization have members or stockholders? . . . . .	6 X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	7a X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .	7b X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following.		
a	The governing body? . . . . .	8a X	
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9a X	

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

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

### Section C. Disclosure

17	List the states with which a copy of this Form 990 is required to be filed ► ID,
18	Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply
	<input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► LENNE BONNER, CFO 301 CEDAR ST OROFINO, ID 83544 208-476-4555

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**
**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

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

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

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

Check this box if the organization did not compensate any current officer, director, or trustee.

(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
		Or Individual trustee	Institutional trustee	Officer	Key employee	Highest compensated			
GORDON HARMAN									
BOARD CHAIR	1.00	X		X			0.	0.	0.
MARJORIE KUCHYNKA									
BOARD VICE CHAIR	1.00	X		X			0.	0.	0.
MARGUERITE MCLAUGHLIN									
BOARD SECRETARY/TREASURER	1.00	X		X			0.	0.	0.
LARRY COONTS									
BOARD DIRECTOR	1.00	X					0.	0.	0.
MAURICE MASAR									
BOARD DIRECTOR	1.00	X					0.	0.	0.
GARY REHDER									
BOARD DIRECTOR	1.00	X					0.	0.	0.
DAN DAVIS									
BOARD DIRECTOR	1.00	X					0.	900.	0.
SISTER MARY ROCHEFORT									
BOARD DIRECTOR	1.00	X					0.	0.	0.
SISTER BARBARA JEAN GLODOWSKI									
BOARD DIRECTOR	1.00	X					0.	0.	0.
BRYAN HIGGINS									
BOARD DIRECTOR	1.00	X					0.	0.	0.
LEE PIPPENGER									
BOARD DIRECTOR	1.00	X					0.	0.	0.
MICHAEL HEDRIX									
BOARD DIRECTOR	60.00	X					0.	391,526.	77,877.
ANDREW GILBERT, MD									
BOARD DIRECTOR	40.00	X					0.	273,672.	27,959.
KELLY MCGRATH, MD									
BOARD DIRECTOR	40.00	X					152,365.	0.	25,020.
COLLEEN MEZA									
CHIEF EXECUTIVE OFFICER	40.00		X				0.	309,928.	54,784.
LENNE BONNER									
CHIEF FINANCIAL OFFICER	40.00		X				123,218.	0.	25,287.

## Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(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			
CLAYTON BUNT, MD					X		180,438.	0	27,645.
PHYSICIAN	40.00								
CHRISTOPHER JENKINS, DO					X		164,541.	0	26,030.
PHYSICIAN	40.00					X			
MICHAEL MEZA, MD									
PHYSICIAN	40.00				X		193,831.	0	25,116.
ENRIQUE MONTANA, MD									
SURGEON	34.00				X		238,487.	0	8,169.
PHILLIP PETERSEN, MD									
PHYSICIAN	40.00				X		158,436.	0	28,159.
LARRY BARKER									
COO	40.00					X	101,481.	0	21,410.
-----									
-----									
-----									
-----									
-----									
-----									
-----									
1b Total . . . . .							1,312,797.	976,026.	347,456.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ► 16

3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual . . . . .

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual . . . . .

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person . . . . .

Yes	No
3 X	
4 X	
5 X	

## Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 2		
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ► 4		

## Part VIII Statement of Revenue

82-0497771

		(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 . . . . . 1b Membership dues . . . . . 1c Fundraising events . . . . . 1d Related organizations . . . . . 1e Government grants (contributions) . . . . . 1f All other contributions, gifts, grants, and similar amounts not included above . . . . . 1g Noncash contributions included in lines 1a-1f . . . . . 1h Total. Add lines 1a-1f . . . . . ►	1a 1b 1c 1d 1e 78,196 1f 98,357 176,553			
Program Service Revenue	2a HOSPITAL & CLINIC SERVICES b c d e f All other program service revenue . . . . . g Total. Add lines 2a-2f . . . . . ►	621110 17,967,211 17,967,211			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) . . . . . ► 4 Income from investment of tax-exempt bond proceeds . . . . . ► 5 Royalties . . . . . 6a Gross Rents . . . . . b Less rental expenses . . . . . c Rental income or (loss) . . . . . d Net rental income or (loss) . . . . . ► 7a Gross amount from sales of assets other than inventory b Less cost or other basis and sales expenses . . . . . c Gain or (loss) . . . . . d Net gain or (loss) . . . . . ► 8a Gross income from fundraising events (not including \$ . . . . . of contributions reported on line 1c) See Part IV, line 18 . . . . . a b Less direct expenses . . . . . b c Net income or (loss) from fundraising events . . . . . ► 0 9a Gross income from gaming activities See Part IV, line 19 . . . . . a b Less direct expenses . . . . . b c Net income or (loss) from gaming activities . . . . . ► 0 10a Gross sales of inventory, less returns and allowances . . . . . a b Less cost of goods sold . . . . . b c Net income or (loss) from sales of inventory. . . . . ► 0 11a VENDING SALES b MEDICAL RECORD COPIES c FITNESS DUES d All other revenue . . . . . e Total. Add lines 11a-11d . . . . . ► 12 Total Revenue. See instructions . . . . . ►	Business Code 21,818 0 0 0 (i) Real (ii) Personal (i) Securities (ii) Other -8,054 8,054 8,054 8,054 8,054 15,600 11,288 9,255 -2,530 33,613 18,207,249 17,967,211 0 63,485	21,818		

**Part IX Statement of Functional Expenses****Section 501(c)(3) and 501(c)(4) organizations must complete all columns.****All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

<b><i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i></b>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . . . .	0.			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 . . . . .	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 . . . . .	0.			
4 Benefits paid to or for members . . . . .	0.			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	272,088.	172,970.	99,118.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0.			
7 Other salaries and wages . . . . .	8,377,901.	7,476,699.	849,759.	51,443.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	357,666.	319,280.	36,185.	2,201.
9 Other employee benefits . . . . .	1,024,822.	936,678.	81,811.	6,333.
10 Payroll taxes . . . . .	596,682.	529,468.	63,646.	3,568.
11 Fees for services (non-employees)				
a Management . . . . .	0.			
b Legal . . . . .	1,513.		1,513.	
c Accounting . . . . .	7,491.		7,491.	
d Lobbying . . . . .	2,041.		2,041.	
e Professional fundraising services See Part IV, line 17	0.			
f Investment management fees . . . . .	4,213.		4,213.	
g Other . . . . .	2,062,905.	1,458,151.	603,770.	984.
12 Advertising and promotion . . . . .	22,872.	110.	22,762.	
13 Office expenses . . . . .	2,265,967.	2,177,048.	87,546.	1,373.
14 Information technology . . . . .	144,116.		144,116.	
15 Royalties . . . . .	0.			
16 Occupancy . . . . .	387,505.	313,394.	72,239.	1,872.
17 Travel . . . . .	107,395.	71,602.	34,939.	854.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings . . . . .	69,292.	63,063.	6,229.	
20 Interest . . . . .	6,422.	6,422.		
21 Payments to affiliates . . . . .	0.			
22 Depreciation, depletion, and amortization . . . . .	455,598.	455,598.		
23 Insurance . . . . .	281,965.	270,324.	11,641.	
24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below )				
a BAD DEBT EXPENSE	1,177,875.	1,177,875.		
b DUES & SUBSCRIPTIONS	62,844.	34,658.	28,186.	
c MISCELLANEOUS	71.		71.	
d -----				
e -----				
f All other expenses				
<b>25 Total functional expenses.</b> Add lines 1 through 24f	<b>17,689,244.</b>	<b>15,463,340.</b>	<b>2,157,276.</b>	<b>68,628.</b>
<b>26 Joint Costs.</b> Check here ► <input type="checkbox"/> If following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation . . . . .				

## Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing . . . . .	7,177	1	7,942.
	2 Savings and temporary cash investments . . . . .	2,052,725	2	1,291,910.
	3 Pledges and grants receivable, net . . . . .	114,728	3	81,530.
	4 Accounts receivable, net . . . . .	3,724,042	4	3,594,622.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L . . . . .		6	
	7 Notes and loans receivable, net . . . . .	25,400	7	15,000.
	8 Inventories for sale or use . . . . .	459,591	8	489,928.
	9 Prepaid expenses and deferred charges . . . . .	32,334	9	60,349.
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	4,909,067		
	b Less. accumulated depreciation . . . . .	10b 2,738,650.	10c 2,136,138	2,170,417.
	11 Investments - publicly traded securities . . . . .		11	
	12 Investments - other securities See Part IV, line 11 . . . . .	0	12	971,775.
	13 Investments - program-related See Part IV, line 11 . . . . .		13	
	14 Intangible assets . . . . .		14	
	15 Other assets See Part IV, line 11 . . . . .		15	
	16 Total assets. Add lines 1 through 15 (must equal line 34) . . . . .	8,552,135	16	8,683,473.
Liabilities	17 Accounts payable and accrued expenses . . . . .	2,041,131	17	1,819,127.
	18 Grants payable . . . . .		18	
	19 Deferred revenue . . . . .		19	
	20 Tax-exempt bond liabilities . . . . .		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .		22	
	23 Secured mortgages and notes payable to unrelated third parties . . . . .	320,266	23	0.
	24 Unsecured notes and loans payable to unrelated third parties . . . . .		24	
	25 Other liabilities Complete Part X of Schedule D . . . . .	1,118,676	25	1,274,623.
	26 Total liabilities. Add lines 17 through 25 . . . . .	3,480,073	26	3,093,750.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets . . . . .	5,072,062	27	5,589,723.
	28 Temporarily restricted net assets . . . . .		28	
	29 Permanently restricted net assets . . . . .		29	
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds . . . . .		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund . . . . .		31	
	32 Retained earnings, endowment, accumulated income, or other funds . . . . .		32	
	33 Total net assets or fund balances . . . . .	5,072,062	33	5,589,723.
	34 Total liabilities and net assets/fund balances . . . . .	8,552,135	34	8,683,473.

## Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990  Cash  Accrual  Other \_\_\_\_\_  
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .  
 b Were the organization's financial statements audited by an independent accountant? . . . . .  
 c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . . .  
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both  
 Separate basis  Consolidated basis  Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .  
 b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form 990 (2009)

~ ~ ~

Department of the Treasury  
Internal Revenue Service

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

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

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**Name of the organization**

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

**Employer identification number**

82-0497771

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

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

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

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

**For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.**

**Schedule A (Form 990 or 990-EZ) 2009**

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

**Section A. Public Support**

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

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4 . . . . .						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
9 Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) . . . . .						
11 <b>Total support.</b> Add lines 7 through 10 . . . . .						12
12 Gross receipts from related activities, etc (see instructions) . . . . .						
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here . . . . . ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) . . . . .	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14 . . . . .	15	%
16a <b>33 1/3% support test - 2009.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
b <b>33 1/3% support test - 2008.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
17a <b>10%-facts-and-circumstances test - 2009.</b> If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
b <b>10%-facts-and-circumstances test - 2008.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
18 <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ► <input type="checkbox"/>		

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants") . . . . .						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . . .						
3 Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
5 The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
6 Total. Add lines 1 through 5 . . . . .						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year . . . . .						
c Add lines 7a and 7b. . . . .						
8 Public support (Subtract line 7c from line 6) . . . . .						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6. . . . .						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
c Add lines 10a and 10b . . . . .						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) . . . . .						
13 Total support (Add lines 9, 10c, 11, and 12) . . . . .						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here . . . . . ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

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

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f)) . . . . .	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17 . . . . .	18	%
19a 33 1/3% support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 33 1/3% support tests - 2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		

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



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

<b>A</b> <input checked="" type="checkbox"/>	if the filing organization belongs to an affiliated group														
<b>B</b> <input checked="" type="checkbox"/>	if the filing organization checked box A and "limited control" provisions apply.														
<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		<b>(a) Filing organization's totals</b>	<b>(b) Affiliated group totals</b>												
<b>1a</b>	Total lobbying expenditures to influence public opinion (grass roots lobbying) . . . . .														
<b>b</b>	Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .														
<b>c</b>	Total lobbying expenditures (add lines 1a and 1b) . . . . .														
<b>d</b>	Other exempt purpose expenditures . . . . .														
<b>e</b>	Total exempt purpose expenditures (add lines 1c and 1d) . . . . .														
<b>f</b>	Lobbying nontaxable amount Enter the amount from the following table in both columns														
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; padding: 2px;">If the amount on line 1e, column (a) or (b) is:</td> <td style="width: 70%; padding: 2px;">The lobbying nontaxable amount is:</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
<b>g</b>	Grassroots nontaxable amount (enter 25% of line 1f) . . . . .														
<b>h</b>	Subtract line 1g from line 1a If zero or less, enter -0- . . . . .														
<b>i</b>	Subtract line 1f from line 1c If zero or less, enter -0- . . . . .														
<b>j</b>	If these is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? . . . . .	<input type="checkbox"/> Yes	<input type="checkbox"/> No												

**4-Year Averaging Period Under Section 501(h)**

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

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
<b>Calendar year (or fiscal year beginning in)</b>	<b>(a) 2006</b>	<b>(b) 2007</b>	<b>(c) 2008</b>	<b>(d) 2009</b>	<b>(e) Total</b>
<b>2a</b> Lobbying non-taxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column (e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

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

	(a)		(b)
	Yes	No	
			Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities? If "Yes," describe in Part IV	X		2,041.
j Total Add lines 1c through 1i			2,041.
2 a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

**Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

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

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

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

**Part IV Supplemental Information**

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

**SCHEDULE C, PART II-B**

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC. PAYS DUES TO CERTAIN

ORGANIZATIONS RELATED TO THE INDUSTRY WHICH HAVE LOBBYING EXPENSES. THE

AMOUNT LISTED IS THE PERCENTAGE OF THE DUES PAID THAT WERE USED FOR

LOBBYING.

**Part IV      Supplemental Information (continued)**

**SCHEDULE D**  
**(Form 990)**Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**

OMB No 1545-0047

**2009**Open to Public  
Inspection

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

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

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

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....

 Yes  No Yes  No**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)	
<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year	
	<b>Held at the End of the Year</b>
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06 .....	2d
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► _____	
4 Number of states where property subject to conservation easement is located ► _____	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► _____	
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ _____	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements	

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

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

1b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 .....

(ii) Assets included in Form 990, Part X .....

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

a Revenues included in Form 990, Part VIII, line 1 .....

b Assets included in Form 990, Part X .....

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

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

<b>a</b> <input type="checkbox"/> Public exhibition	<b>d</b> <input type="checkbox"/> Loan or exchange programs
<b>b</b> <input type="checkbox"/> Scholarly research	<b>e</b> <input type="checkbox"/> Other _____
<b>c</b> <input type="checkbox"/> Preservation for future generations	

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

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

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

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

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

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

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance . . . . .					
b Contributions . . . . .					
c Net investment earnings, gains, and losses . . . . .					
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .					
f Administrative expenses . . . . .					
g End of year balance . . . . .					

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

a Board designated or quasi-endowment ► \_\_\_\_\_ %

b Permanent endowment ► \_\_\_\_\_ %

c Term endowment ► \_\_\_\_\_ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

Yes	No
3a(i)	
3a(ii)	
3b	

(i) unrelated organizations . . . . .

(ii) related organizations . . . . .

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

4 Describe in Part XIV the intended uses of the organization's endowment funds

**Part VI Investments - Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		30,738		30,738
b Buildings . . . . .		1,059,894	495,334	564,560
c Leasehold improvements . . . . .				
d Equipment . . . . .		3,580,389	2,217,360	1,363,029
e Other . . . . .		238,046	25,956	212,090
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)). . . . . ►				<b>2,170,417</b>

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives . . . . .		
Closely-held equity interests . . . . .		
Other POOLED INVESTMENT FUND	971,775.	FMV
Total. (Column (b) must equal Form 990, Part X, col (B) line 12 ) ►	971,775.	
<b>Part VIII Investments - Program Related. See Form 990, Part X, line 13</b>		
(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value

**Part IV Other Assets** See Form 990, Part X, line 15

**Total. (Column (b) must equal Form 990, Part X, col. (B) line 15)** . . . . .

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

1.	(a) Description of liability	(b) Amount
Federal income taxes		
BUILDING LEASE LIABILITY		819,278.
AMOUNTS OWED TO RELATED ORG		455,345.
Total (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►		1,274,623.

**Total. (Column (b) must equal Form 990, Part X, col (B) line 25 ) ► 1,274,623.**

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

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

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

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

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

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

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

**Part XIV Supplemental Information**

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

SEE PAGE 5

**Part XIV Supplemental Information (continued)****SCHEDULE D, PART X****FIN 48 FOOTNOTE:**

ESSENTIA HEALTH HAS ADOPTED ACCOUNTING STANDARDS CODIFICATION 740, INCOME TAXES (FORMERLY KNOWN AS FASB INTERPRETATION NO. 48 (FIN 48), ACCOUNTING FOR UNCERTAINTY IN INCOME TAX - AN INTERPRETATION OF FASB STATEMENT NO. 109, ACCOUNTING FOR INCOME TAXES). THE ADOPTION OF THIS INTERPRETATION HAD NO MATERIAL IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND THEREFORE, ESSENTIA HEALTH'S CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2010 NO LONGER INCLUDES AN ASC 740 FOOTNOTE.

**SCHEDULE H**  
(Form 990)

**Hospitals**

OMB No 1545-0047

**2009**

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

**Part I Charity Care and Certain Other Community Benefits at Cost**

1a Does the organization have a charity care policy? If "No," skip to question 6a . . . . .  
 b If "Yes," is it a written policy? . . . . .

2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals

Applied uniformly to all hospitals  Applied uniformly to most hospitals  
 Generally tailored to individual hospitals

3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients

a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care . . . . .  
 100%  150%  200%  Other \_\_\_\_\_ %

b Does the organization use FPG to determine eligibility for providing discounted care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . .  
 200%  250%  300%  350%  400%  Other \_\_\_\_\_ %

c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care

4 Does the organization's policy provide free or discounted care to the "medically indigent"? . . . . .

5a Does the organization budget amounts for free or discounted care provided under its charity care policy? . . . . .  
 b If "Yes," did the organization's charity care expenses exceed the budgeted amount? . . . . .  
 c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .

6a Does the organization prepare an annual community benefit report? . . . . .  
 b If "Yes," does the organization make it available to the public? . . . . .

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

	Yes	No
1a	X	
1b	X	
3a	X	
3b	X	
4	X	
5a	X	
5b		X
5c		
6a	X	
6b	X	

**7 Charity Care and Certain Other Community Benefits at Cost**

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2) . . . . .		113	195,056.	0.	195,056.	1.18
b Unreimbursed Medicaid (from Worksheet 3, column a) . . . . .		4524	2,469,860.	2,455,539.	14,321.	.09
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b) . . . . .			0.	0.	0.	0.00
d Total Charity Care and Means-Tested Government Programs . . . . .		4637	2,664,916.	2,455,539.	209,377.	1.27
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .		1140	107,057.	5,806.	101,251.	.61
f Health professions education (from Worksheet 5) . . . . .		43	89,229.	0.	89,229.	.54
g Subsidized health services (from Worksheet 6) . . . . .			0.	0.	0.	0.00
h Research (from Worksheet 7) . . . . .			0.	0.	0.	0.00
i Cash and in-kind contributions to community groups (from Worksheet 8) . . . . .		1728	16,224.	0.	16,224.	.10
j Total. Other Benefits . . . . .		2911	212,510.	5,806.	206,704.	1.25
k Total. Add lines 7d and 7j . . . . .		7548	2,877,426.	2,461,345.	416,081.	2.52

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

Schedule H (Form 990) 2009

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing			0.	0.	0.	0.00
2 Economic development			0.	0.	0.	0.00
3 Community support			0.	0.	0.	0.00
4 Environmental improvements			0.	0.	0.	0.00
5 Leadership development and training for community members			0.	0.	0.	0.00
6 Coalition building			0.	0.	0.	0.00
7 Community health improvement advocacy			0.	0.	0.	0.00
8 Workforce development			0.	0.	0.	0.00
9 Other			0.	0.	0.	0.00
10 Total			0.	0.	0.	0.00

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15? .....  Yes  No

2 Enter the amount of the organization's bad debt expense (at cost) .....  679,845.

3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy .....  0.

4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) .....  7,097,491.

6 Enter Medicare allowable costs of care relating to payments on line 5 .....  7,027,219.

7 Subtract line 6 from line 5. This is the surplus or (shortfall) .....  70,272.

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used

Cost accounting system  Cost to charge ratio  Other

**Section C. Collection Practices**

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

b If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI. .....  Yes  No

**Part IV Management Companies and Joint Ventures**

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

## Part V Facility Information

**Part VI Supplemental Information**

Complete this part to provide the following information

- 1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8; Part III, line 9b, and Part V See Instructions
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves
- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)
- 7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

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**SCHEDULE H, PART VI, LINE 1**

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PROVIDE THE DESCRIPTION REQUIRED FOR PART I, PART III, AND PART V:

PART I, LINE 3C - THE ORGANIZATION USES FEDERAL POVERTY GUIDELINES.

PART I, LINE 6A - CLEARWATER VALLEY HOSPITAL & CLINICS' COMMUNITY BENEFIT

INFORMATION IS CONSOLIDATED INTO THE ESSENTIA HEALTH COMMUNITY BENEFIT

INFORMATION WHICH IS INCLUDED IN THE ESSENTIA HEALTH ANNUAL REPORT. THE

ANNUAL REPORT IS MADE AVAILABLE TO THE PUBLIC VIA THE WEBSITE AT

WWW.ESSENTIAHEALTH.ORG. ESSENTIA HEALTH, HEADQUARTERED IN DULUTH, MINN.,

IS AN INTEGRATED HEALTH SYSTEM SERVING PATIENTS IN MINNESOTA, WISCONSIN,

NORTH DAKOTA AND IDAHO AND IS CLEARWATER VALLEY HOSPITAL & CLINICS'

PARENT CORPORATION.

PART I, LINE 7G - NOT APPLICABLE.

PART I, LINE 7 (COLUMN F) - BAD DEBT EXPENSE THAT WAS SUBTRACTED FROM

TOTAL EXPENSE TO OBTAIN THE % OF COMMUNITY BENEFIT TO TOTAL EXPENSE

AMOUNTED TO \$1,177,875.

PART I, LINE 7 - THE COST TO CHARGE RATIO DERIVED FROM WORKSHEET 2, RATIO

OF PATIENT CARE COST-TO-CHARGES WAS USED TO CALCULATE THE COSTS FOR THE

FOLLOWING COMMUNITY BENEFITS: CHARITY CARE AND UNREIMBURSED MEDICAID.

**Part VI Supplemental Information**

Complete this part to provide the following information

- 1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V. See Instructions
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves
- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)
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ACTUAL COSTS WERE USED FOR THE REMAINDER OF THE COMMUNITY BENEFITS

REPORTED.

PART III, LINE 4 - THE COSTING METHODOLOGY USED TO REPORT BAD DEBT

EXPENSE AT COST WAS THE COST TO CHARGE RATIO FROM WORKSHEET 2, RATIO OF

PATIENT CARE COST-TO-CHARGES. THE RATIONALE FOR USING THE COST-TO-CHARGE

RATIO IS THAT IT IS THE MOST EFFICIENT WAY TO CALCULATE BAD DEBT AT COST.

WE BELIEVE THIS METHOD MATERIALLY REPRESENTS THE COST OF BAD DEBT.

DISCOUNTS AND CHARITY CARE ARE ACCOUNTED FOR AS REDUCTIONS TO REVENUE

WHERE BAD DEBTS ARE ACCOUNTED FOR AS OPERATING EXPENSES. BAD DEBT

EXPENSE ON PATIENT ACCOUNTS WOULD BE IDENTIFIED AS ANY BALANCE ON THE

ACCOUNT, LESS ANY PREVIOUS PAYMENTS AND DISCOUNTS, THAT HAS AGED AND IS

ABSENT OF ANY PAYMENTS. IF, DURING THE COLLECTION PROCESS, IT BECOMES

KNOWN THAT THE PATIENT QUALIFIES FOR CHARITY CARE, THE AMOUNTS INCLUDED

WITHIN BAD DEBT EXPENSE WOULD BE RECLASSIFIED TO CHARITY CARE (REDUCTION

OF REVENUE). BECAUSE THIS IS OUR PRACTICE, WE BELIEVE THERE IS NO KNOWN

CHARITY CARE WITHIN BAD DEBT EXPENSE.

(EXCERPT FROM THE PARENT COMPANY'S AUDIT) THE PROVISION FOR UNCOLLECTIBLE

ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED

NET COLLECTIONS CONSIDERING HISTORICAL BUSINESS AND ECONOMIC CONDITIONS,

**Part VI Supplemental Information**

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TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS.

PERIODICALLY THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE

ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE-OFF

EXPERIENCE BY PAYOR CATEGORY. THE RESULTS OF THIS REVIEW ARE THEN USED

TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR UNCOLLECTIBLE ACCOUNTS.

AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE, ESSENTIA HEALTH FOLLOWS

ESTABLISHED GUIDELINES FOR PLACING CERTAIN PAST-DUE PATIENT BALANCES WITH

COLLECTION AGENCIES, SUBJECT TO THE TERMS OF CERTAIN RESTRICTIONS ON

COLLECTION EFFORTS AS DETERMINED BY ESSENTIA.

PART III, LINE 8 - THE COSTING METHODOLOGY USED IN DETERMINING THE

MEDICARE ALLOWABLE COST REPORTED IN THE ORGANIZATION'S MEDICARE COST

REPORT IS TO TAKE TOTAL MEDICARE COSTS FROM THE GENERAL LEDGER SYSTEM AND

THEN FOLLOW THE INSTRUCTIONS PROVIDED BY CENTERS FOR MEDICARE SERVICES

(CMS) TO BACK OFF ALL COSTS NOT ALLOWABLE. FROM THE MEDICARE ALLOWABLE

COSTS, ANY COSTS ATTRIBUTABLE TO SUBSIDIZED HEALTH SERVICES AND COSTS

ATTRIBUTABLE TO GME WERE SUBTRACTED, IF APPLICABLE.

CLEARWATER VALLEY HOSPITAL & CLINICS IS A PART OF A LARGER ORGANIZATION,

ESSENTIA HEALTH. ESSENTIA HEALTH AND ITS MEMBER ORGANIZATIONS

INCORPORATE THE FULL VALUE OF THE MEDICARE SHORTFALL AS A COMMUNITY

**Part VI Supplemental Information**

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BENEFIT. THE RATIONALE FOR THE ORGANIZATION'S OPINION IS SIMILAR TO THE RATIONALE USED BY THE AMERICAN HOSPITAL ASSOCIATION. PROVIDING CARE FOR THE ELDERLY AND SERVING MEDICARE PATIENTS IS AN ESSENTIAL PART OF THE COMMUNITY BENEFIT STANDARD. MEDICARE, LIKE MEDICAID, DOES NOT PAY THE FULL COST OF CARE AND IT IS LIKELY TO GET WORSE. MANY MEDICARE BENEFICIARIES ARE POOR AND ARE ELIGIBLE FOR MEDICAID IN ADDITION TO MEDICARE. MEDICARE UNDERPAYMENT MUST BE SHOULDERED BY THE HOSPITAL IN ORDER TO CONTINUE TREATING THE COMMUNITY'S ELDERLY AND POOR. THESE UNDERPAYMENTS REPRESENT A REAL COST OF SERVING THE COMMUNITY.

PART III, LINE 9B - AT ANY STAGE OF THE PATIENT EXPERIENCE, INCLUDING COLLECTIONS, A DETERMINATION MAY BE MADE THAT THE PATIENT QUALIFIES FOR CHARITY CARE. ALL COLLECTION EFFORTS MUST BE SUSPENDED WHILE A PATIENT'S CHARITY CARE APPLICATION IS BEING CONSIDERED AND UNTIL THE PATIENT IS NOTIFIED REGARDING THE DETERMINATION OF ELIGIBILITY. THE CHARITY CARE PROGRAM POLICY WILL GOVERN THE HANDLING OF THAT PATIENT'S BALANCE.

PART V - NOT APPLICABLE.

SCHEDULE H, PART VI, LINE 2

DESCRIBE HOW THE ORGANIZATION ASSESSES THE HEALTH CARE NEEDS OF THE

**Part VI Supplemental Information**

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COMMUNITIES IT SERVES:

CLEARWATER VALLEY HOSPITAL AND CLINICS IS OVERSEEN BY A VOLUNTEER BOARD

OF DIRECTORS CONSISTING OF REPRESENTATIVES OF ITS SERVICE AREA. THESE

DIRECTORS BRING COMMUNITY HEALTH NEEDS TO THE TABLE. IN ADDITION,

SERVICE USAGE PATTERNS ARE MONITORED BY ADMINISTRATORS, DOCTORS ARE

CONSULTED FOR NEEDED CARE IMPROVEMENTS IN MONTHLY MEDICAL STAFF MEETINGS,

AND AN ORGANIZATION-WIDE QUALITY COUNCIL MONITORS QUALITY IMPROVEMENT

DATA REGULARLY. CLEARWATER VALLEY HOSPITAL AND CLINICS IS INTERPOLATING

RESULTS OBTAINED FROM A FORMAL ASSESSMENT PERFORMED IN ADJOINING IDAHO

COUNTY.

SCHEDULE H, PART VI, LINE 3

DESCRIBE HOW THE ORGANIZATION INFORMS AND EDUCATES PATIENTS AND PERSONS

WHO MAY BE BILLED FOR PATIENT CARE ABOUT THEIR ELIGIBILITY FOR ASSISTANCE

UNDER FEDERAL, STATE, OR LOCAL GOVERNMENT PROGRAMS OR UNDER THE

ORGANIZATION'S CHARITY CARE POLICY:

THE BOOKLET, FINANCIAL INFORMATION FOR OUR PATIENTS AND OTHER PRINTED

MATERIALS ON CHARITY CARE ARE MADE WIDELY AVAILABLE TO THE PUBLIC IN THE

ADMITTING, BILLING AND PATIENT/FAMILY RECEPTION AREAS. REFERENCE TO THE

**Part VI Supplemental Information**

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PROGRAM IS ALSO CONTAINED IN THE HOSPITAL ADMISSIONS PACKET. THE FINANCIAL COUNSELOR VISITS UNINSURED OR UNDERINSURED PATIENTS OR THEIR FAMILY DURING THEIR STAY, WHENEVER POSSIBLE, TO DISCUSS FINANCIAL ARRANGEMENTS. CHARITY CARE APPLICATIONS, AND MEDICAID APPLICATIONS, AND COUNTY FORMS ARE DISTRIBUTED AT THAT TIME. FOLLOW UP CALLS ARE MADE AFTER DISCHARGE TO FINALIZE ARRANGEMENTS. THIS INFORMATION IS PROVIDED TO ANYONE REQUESTING IT, WHETHER THEY REQUEST IT IN PERSON, BY MAIL, OR BY PHONE. SIGNS INDICATING THE AVAILABILITY OF CHARITY CARE ARE POSTED IN THE ER AREA, THE INPATIENT FAMILY WAITING ROOM, BUSINESS OFFICE AND ADMITTING AREA. THE SIGNS PROVIDE A PHONE NUMBER AND CONTACT INFORMATION. ALL STAFF WITH PUBLIC AND PATIENT CONTACT, INCLUDING BUT NOT RESTRICTED TO BILLING AND EMERGENCY STAFF WILL REFER PATIENTS TO THE FINANCIAL COUNSELOR FOR DETAILED EXPLANATIONS OF THE CHARITY CARE PROGRAM AND TO ACQUIRE FORMS. THE FINANCIAL COUNSELOR CAN THEN DO THE APPROPRIATE FOLLOW UP. BASED ON THE INFORMATION GATHERED BY THE FINANCIAL ARRANGEMENT WORKSHEET, THE FINANCIAL COUNSELOR WILL DETERMINE WHETHER THE ACCOUNT SHOULD BE DIRECTED TO A BANK LOAN, MEDICAID, COUNTY SOCIAL SERVICES, OR CHARITY CARE. THE PATIENT WILL THEN COMPLETE THE DETERMINATION FORM AND FORWARD TO THE BUSINESS OFFICE MANAGER FOR

**Part VI Supplemental Information**

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APPROVAL.

SCHEDULE H, PART VI, LINE 4

DESCRIBE THE COMMUNITY THE ORGANIZATION SERVES, TAKING INTO ACCOUNT THE

GEOGRAPHIC AREA AND DEMOGRAPHIC CONSTITUENTS IT SERVES:

CLEARWATER VALLEY HOSPITAL & CLINICS IS LOCATED IN OROFINO, ID.

CLEARWATER IS A PART OF THE LARGER ESSENTIA HEALTH SYSTEM, WHICH IS

DEFINED IN PART VI, LINE 7. CLEARWATER VALLEY HOSPITAL & CLINICS

CONSISTS OF 1 HOSPITAL AND 4 CLINICS THAT SERVICE CLEARWATER, IDAHO, AND

LEWIS COUNTIES COVERING 2,400 SQUARE MILES. THE OVERALL COMMUNITY IS

CLASSIFIED AS A RURAL COMMUNITY. CLEARWATER AND ITS RELATED CLINICS

COVER A POPULATION OF MORE THAN 8,000 PEOPLE. THE SERVICE REGION

CONSISTS OF A LARGE PERCENTAGE OF INDIVIDUALS OVER 65. LEWIS COUNTY HAS

18% OF ITS POPULATION CONSISTING OF INDIVIDUALS OVER 65. IDAHO COUNTY

HAS 19% AND CLEARWATER COUNTY HAS ALMOST 21.4% WHICH ARE ALL WELL ABOVE

THE NATIONAL AVERAGE OF 12.5%.

ACCORDING TO US CENSUS BUREAU FAST FACTS ESTIMATE FOR 2005-2009 THE

AVERAGE FAMILY INCOME OF THE SERVICE AREA IS SLIGHTLY ABOVE \$46,000 ONLY

75% OF THE NATIONAL MEDIAN FAMILY INCOME OF \$62,363. MEDIAN AGE IS 47.7

**Part VI Supplemental Information**

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COMPARED TO THE NATIONAL MEDIAN AGE OF 36.5 WITH 55% MEN TO 45% WOMEN.

ACCORDING TO HEALTH RESOURCES AND SERVICES ADMINISTRATION'S (HRSA'S)

COMMUNITY HEALTH STATUS INDICATOR CLEARWATER COUNTY AGE DISTRIBUTION IS

AS FOLLOWS: UNDER AGE 19 18.2%, AGE 19-64 60.4%, AGE 65-84 19.0% AND AGE

85+ 2.4%. RACE/ETHNICITY WHITE 94.1%, BLACK 0.2%, AMERICAN INDIAN 2.6%,

ASIAN/PACIFIC ISLANDER 0.5% AND HISPANIC ORIGIN 2.6%. APPROXIMATELY

15.9% OF THE POPULATION FALLS BELOW FEDERAL POVERTY GUIDELINES.

CLEARWATER COUNTY CONSISTENTLY HAS ONE OF THE HIGHEST UNEMPLOYMENT RATES

IN IDAHO. CLEARWATER VALLEY HOSPITAL & CLINICS, ALONG WITH THE REST OF

ESSENTIA HEALTH, IS COMMITTED TO SERVE PATIENTS REGARDLESS OF THEIR

ABILITY TO PAY. 6% OF PATIENTS SEEN BY CLEARWATER OR THEIR CORRESPONDING

CLINICS WERE UNINSURED PATIENTS. IN ADDITION, APPROXIMATELY 15% OF THEIR

PATIENTS WERE MEDICAID RECIPIENTS. A LARGE PORTION OF THE POPULATION

LACKS MEDICAL INSURANCE. IN IDAHO COUNTY, 16.5% OF THE POPULATION IS

UNINSURED; IN CLEARWATER COUNTY, THE RATE JUMPS TO 20.5%.

AS MENTIONED ABOVE, CLEARWATER VALLEY HOSPITAL & CLINICS IS PART OF A

LARGER SYSTEM, ESSENTIA HEALTH. ESSENTIA HEALTH STAFFS HOSPITALS AND

CLINICS IN FEDERALLY-RECOGNIZED UNDERSERVED AREAS AND SUPPORTS THE HEALTH

OF ITS COMMUNITIES THROUGH AN ACTIVE OUTREACH PROGRAM THAT BRINGS

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SPECIALISTS LIKE ONCOLOGISTS, CARDIOLOGISTS, NEUROLOGISTS AND OTHERS INTO

ITS SMALLER COMMUNITIES. THIS ELIMINATES BARRIERS TO CARE FOR MANY

PATIENTS, PARTICULARLY THOSE WHO ARE ELDERLY, LIVING ON LOW INCOMES, OR

ARE FACED WITH OTHER CHALLENGES THAT MAKE IT DIFFICULT TO TRAVEL LONG

DISTANCES FOR CARE.

THERE ARE NO OTHER HOSPITALS OUTSIDE OF THE ESSENTIA HEALTH UMBRELLA THAT

SERVICE THE COMMUNITY.

SCHEDULE H, PART VI, LINE 5

DESCRIBE HOW THE ORGANIZATION'S COMMUNITY BUILDING ACTIVITIES, AS

REPORTED IN PART II, PROMOTE THE HEALTH OF THE COMMUNITIES THE

ORGANIZATION SERVES:

NOT APPLICABLE.

SCHEDULE H, PART VI, LINE 6

PROVIDE ANY OTHER INFORMATION IMPORTANT TO DESCRIBING HOW THE

ORGANIZATION'S HOSPITALS OR OTHER HEALTH CARE FACILITIES FURTHER ITS

EXEMPT PURPOSE BY PROMOTING THE HEALTH OF THE COMMUNITY:

CLEARWATER VALLEY HOSPITAL AND CLINIC'S BOARD OF DIRECTORS IS COMPOSED OF

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VOLUNTEER REPRESENTATIVES FROM THE COMMUNITIES IT SERVES. IN ADDITION,

THE HOSPITAL SERVES AS A CLINICAL PRACTICE SITE FOR MANY STUDENTS IN

X-RAY TECHNOLOGY, NURSING, PHYSICIAN ASSISTANT, NURSE PRACTITIONER, AND

MEDICAL RESIDENCY PROGRAMS. THIS IS ESPECIALLY IMPORTANT BECAUSE IDAHO

HAS ONE OF THE LOWEST PHYSICIAN PER CAPITA RATES IN THE NATION.

RECENTLY CLEARWATER VALLEY HOSPITAL HAS EXPANDED ITS USE OF TELEHEALTH

SERVICES TO IMPROVE PATIENT CARE. THESE TYPES OF SERVICES ARE EXTREMELY

IMPORTANT FOR EXPANDING ACCESS TO HEALTH CARE IN RURAL AMERICA. IT TAKES

CLOSE TO 12 HOURS TO DRIVE FROM THE NORTHERN PART OF OUR STATE TO THE

SOUTHERN BORDER. ADD TO THAT RIVER CANYONS, MOUNTAINS AND TREACHEROUS

ROADS AND YOU'LL HAVE A BETTER UNDERSTANDING OF THE CHALLENGE OF

COMMUTING TO RECEIVE HEALTH CARE SPECIALTY SERVICES. THE CLOSEST LARGE

URBAN CENTERS ARE EITHER THREE OR FIVE HOURS AWAY. HAVING SPECIALISTS

'SEE' OUR PATIENTS AND CONSULT WITH OUR PHYSICIANS USING TELECONFERENCING

AND OUR REMOTE PRESENCE (RP-7) ROBOTS ALLOWS US TO ACCESS CARDIOLOGISTS,

HOSPITALISTS, ADULT AND CHILD PSYCHIATRISTS, SURGICAL SPECIALISTS, ED

SPECIALISTS AND SOON, A DERMATOLOGIST. IN OUR RURAL AREA WE DON'T HAVE

THE PATIENT BASE NECESSARY TO ESTABLISH FULL TIME SPECIALTY CARE.

HOWEVER, WE HAVE THE SAME TYPES OF ILLNESSES AND INJURIES THAT PEOPLE

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HAVE IN LARGER CITIES. USING TECHNOLOGY TO BRING THOSE SPECIALISTS TO OUR  
AREA SO PEOPLE CAN RECEIVE THEIR HEALTHCARE LOCALLY IS VITAL TO PROVIDING  
A FULLER RANGE OF MEDICAL CARE TO OUR PATIENTS.

SCHEDULE H, PART VI, LINE 7  
IF THE ORGANIZATION IS PART OF AN AFFILIATED HEALTH CARE SYSTEM, DESCRIBE  
THE RESPECTIVE ROLES OF THE ORGANIZATION AND ITS AFFILIATES IN PROMOTING  
THE HEALTH OF THE COMMUNITIES SERVED:  
CLEARWATER VALLEY HOSPITAL & CLINICS IS PART OF ESSENTIA HEALTH, AN  
INTEGRATED HEALTH SYSTEM OF 17 HOSPITALS, OVER 60 CLINICS AND SEVERAL  
LONG-TERM CARE FACILITIES IN FOUR STATES: MINNESOTA, WISCONSIN, NORTH  
DAKOTA AND IDAHO. THE HEALTH SYSTEM SERVES A PREDOMINANTLY RURAL  
POPULATION WHOSE MEDIAN INCOMES GENERALLY FALL BELOW AVERAGES OF THE  
STATES WHERE THEY LIVE. THE PRESENCE OF OUR CLINICS AND HOSPITALS ENSURES  
THAT PEOPLE WITH FEW ECONOMIC RESOURCES DON'T HAVE TO DRIVE AN HOUR OR  
MORE TO RECEIVE BASIC (AND IN SOME CASES LIFE-SAVING) MEDICAL CARE.  
IN ADDITION TO STAFFING HOSPITALS AND CLINICS IN FEDERALLY-RECOGNIZED  
UNDERSERVED AREAS, WE SUPPORT THE HEALTH OF OUR COMMUNITIES THROUGH AN  
ACTIVE OUTREACH PROGRAM THAT BRINGS SPECIALISTS LIKE ONCOLOGISTS,

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 ELIMINATES BARRIERS TO CARE FOR MANY PATIENTS, PARTICULARLY THOSE WHO ARE  
 ELDERLY, LIVING ON LOW INCOMES, OR ARE FACED WITH OTHER CHALLENGES THAT  
 MAKE IT DIFFICULT TO TRAVEL LONG DISTANCES FOR CARE.

OUR SIZE AND INTEGRATED STRUCTURE ALLOW US TO OFFER PATIENTS SERVICES  
 OFTEN FOUND ONLY IN LARGER URBAN SETTINGS. SERVICES RANGING FROM  
 CHEMOTHERAPY AND CANCER CLINICAL TRIALS TO CONGESTIVE HEART FAILURE  
 MANAGEMENT AND HOSPICE ARE AVAILABLE TO PATIENTS IN MANY OF THE RURAL  
 COMMUNITIES WE SERVE.

ESSENTIA HEALTH ALSO SUPPORTS THE HEALTH OF OUR COMMUNITIES THROUGH  
 ACTIVE RESEARCH AND CLINICAL TRIALS, THROUGH THE ESSENTIA INSTITUTE OF  
 RURAL HEALTH. THE INSTITUTE CONDUCTS CLINICAL, TRANSLATIONAL AND HEALTH  
 SERVICES RESEARCH WITH A PRIMARY FOCUS ON THE NEEDS OF RURAL AMERICANS.

ESSENTIA HEALTH IS ALSO SERVING PATIENTS THROUGH THE AGGRESSIVE  
 IMPLEMENTATION OF THE EPIC ELECTRONIC HEALTH RECORD (EHR). ALREADY IN USE  
 IN A NUMBER OF ESSENTIA HEALTH'S RURAL CLINICS AND SOME HOSPITALS, A  
 FULLY-INTEGRATED EHR IS SCHEDULED TO CONNECT PATIENTS ACROSS THE ESSENTIA  
 SERVICE REGION BY 2012.

A COMMON ELECTRONIC HEALTH RECORD ALLOWS HEALTH PROFESSIONALS TO SHARE

**Part VI Supplemental Information**

Complete this part to provide the following information

- 1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7; Part III, line 4; Part III, line 8, Part III, line 9b, and Part V See Instructions
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves
- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)
- 7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

TEST RESULTS AND CONSULT WITH COLLEAGUES IN REAL TIME ACROSS GREAT DISTANCES. MEDICAL INFORMATION IS NO LONGER LOST IN THE SHUFFLE OF PAPER RECORDS - AN IMPORTANT CONSIDERATION IN A REGION WHERE PATIENTS MUST OFTEN BE TRANSFERRED TO A LARGER ESSENTIA FACILITY FOR COMPLEX SURGERIES OR MEDICAL CARE.

ESSENTIA IS ALSO ACTIVELY WORKING WITH GOVERNMENT AGENCIES AND INSURERS TO DEVELOP INNOVATIVE, COST-EFFECTIVE APPROACHES TO CARE THAT WILL IMPROVE HEALTH OUTCOMES WHILE REDUCING OVERALL COSTS TO PATIENTS AND INSURERS. THIS INNOVATION CAN BE FOUND IN OUR USE OF REMOTE HOME MONITORS FOR PATIENTS WITH CONGESTIVE HEART FAILURE TO A FOCUS ON USING A TEAM-BASED APPROACH TO HELPING PATIENTS MANAGE CHRONIC DISEASES.

ESSENTIA HEALTH IS COMMITTED TO HELPING PATIENTS AND THEIR FAMILIES LEAD ACTIVE AND FULFILLING LIVES IN THE SMALL AND LARGE COMMUNITIES WHERE THEY LIVE. WE HOPE TO BECOME A MODEL OF HEALTH CARE DELIVERY, PARTICULARLY IN RURAL AREAS, IN THE YEARS TO COME.

SCHEDULE H, PART VI, LINE 8

IF APPLICABLE, IDENTIFY ALL STATES WITH WHICH THE ORGANIZATION, OR A RELATED ORGANIZATION, FILES A COMMUNITY BENEFIT REPORT:

**Part VI Supplemental Information**

Complete this part to provide the following information

- 1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves
- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)
- 7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

CLEARWATER VALLEY HOSPITAL & CLINICS FILES A COMMUNITY BENEFIT REPORT IN

IDAHO.

Part VI Supplemental Information

Complete this part to provide the following information

- 1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves
- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)
- 7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

**SCHEDULE J**  
**(Form 990)**Department of the Treasury  
Internal Revenue Service**Compensation Information**For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees► Complete if the organization answered "Yes" to Form 990,  
Part IV, line 23.

► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

**2009**Open to Public  
Inspection

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

**Part I Questions Regarding Compensation**

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

	Yes	No
<input type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax indemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		

b If any of the boxes on line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain . . . . .

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

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

<input checked="" type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment? . . . . .  
b Participate in, or receive payment from, a supplemental nonqualified retirement plan? . . . . .  
c Participate in, or receive payment from, an equity-based compensation arrangement? . . . . .

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

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization? . . . . .  
b Any related organization? . . . . .

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

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

a The organization? . . . . .  
b Any related organization? . . . . .

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

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

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

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? . . . . .

	1b	
	2	
	4a	X
	4b	X
	4c	X
	5a	X
	5b	X
	6a	X
	6b	X
	7	X
	8	X
	9	

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

Schedule J (Form 990) 2009

See Schedule 1 if additional space is needed

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the row (ii) through (vii) columns, on row (i). Do not list any individuals that are not listed on Form 990 Part VII.

15. *Form 2000* *Post VIII* *Post VII* *Post VI* *Post V* *Post IV* *Post III* *Post II* *Post I*

**Part III Supplemental Information**

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

FORM 990, PART I, LINE 3

METHODS USED TO ESTABLISH CEO'S COMPENSATION:

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC. RELIED ON ECHC'S, SUPPORTING

ORGANIZATION OF CLEARWATER VALLEY HOSPITAL AND CLINICS, INC., METHODS FOR

ESTABLISHING CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.'S CEO'S

COMPENSATION: A COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION

CONSULTANT, WRITTEN EMPLOYMENT CONTRACT, COMPENSATION SURVEY OR STUDY,

AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE.

FORM 990, PART I, LINE 4B

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN:

THE FOLLOWING INDIVIDUALS LISTED IN FORM 990, PART VII, SECTION A, LINE

1A RECEIVED PAYMENT FROM A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

DURING THE YEAR:

COLLEEN MEZA (ECHC) \$62,297

MICHAEL HEDRIX (ECHC) \$76,489

ECHC'S NONQUALIFIED RETIREMENT PLAN IS OFFERED TO ECHC EXECUTIVES. THERE

IS A MINIMUM TWO YEAR VESTING DATE, BENEFITS ARE SUBJECT TO INCOME TAXES

Part III Supplemental Information

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

UPON VESTING: AND BENEFITS ARE PAYABLE FROM ECHC'S GENERAL ASSETS:

SCIENCE

**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

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

ATTACHMENT 1

FORM 990, PART I, LINE 1

ORGANIZATION'S MISSION OR MOST SIGNIFICANT ACTIVITIES:

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC. IS A HEALTH AND HUMAN SERVICE ORGANIZATION ENTRUSTED WITH A MISSION OF PROVIDING OF COMPETENT AND COMPASSIONATE HEALTH AND WELLNESS SERVICES IN AN ENVIRONMENT WHICH ENHANCES HUMAN WORTH. THIS MISSION IS ACCOMPLISHED THROUGH THE IMPLEMENTATION OF THE VALUES OF RESPECT, HOSPITALITY, JUSTICE AND STEWARDSHIP. THE HOSPITAL AND CLINICS ARE COMMITTED TO WITNESS GOD'S LOVE FOR ALL PEOPLE, WITH A SPECIAL CONCERN FOR THE POOR AND POWERLESS.

FORM 990, PART III, LINE 1

ORGANIZATION'S MISSION:

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC. IS A HEALTH AND HUMAN SERVICE ORGANIZATION ENTRUSTED WITH A MISSION OF PROVIDING OF COMPETENT AND COMPASSIONATE HEALTH AND WELLNESS SERVICES IN AN ENVIRONMENT WHICH ENHANCES HUMAN WORTH. THIS MISSION IS ACCOMPLISHED THROUGH THE IMPLEMENTATION OF THE VALUES OF RESPECT, HOSPITALITY, JUSTICE AND STEWARDSHIP. THE HOSPITAL AND CLINICS ARE COMMITTED TO WITNESS GOD'S LOVE FOR ALL PEOPLE, WITH A SPECIAL CONCERN FOR THE POOR AND POWERLESS.

FORM 990, PART III, LINE 4

PROGRAM SERVICE ACCOMPLISHMENTS:

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC. IS CREATED AND ORGANIZED EXCLUSIVELY FOR CHARITABLE, RELIGIOUS, EDUCATIONAL AND SCIENTIFIC

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

ATTACHMENT 1 (CONT'D)

PURPOSES. CLEARWATER VALLEY HOSPITAL AND CLINICS, INC. IS CREATED AND ORGANIZED TO OWN, MAINTAIN, OPERATE AND CONDUCT, DIRECTLY OR INDIRECTLY, AND TO ASSIST AND COORDINATE ACTIVITIES OF FACILITIES FOR HEALTH CARE, EDUCATION, CARE FOR THE AGED AND SOCIAL SERVICES.

IN KEEPING WITH ITS MISSION, CLEARWATER VALLEY IS COMMITTED TO SERVE ALL MEMBERS OF ITS COMMUNITIES BY PROVIDING FREE CARE AND/OR SUBSIDIZED CARE, CARE FOR THE PERSONS COVERED BY GOVERNMENTAL PROGRAMS AT BELOW COST, AND PROVIDING HEALTH ACTIVITIES AND PROGRAMS TO SUPPORT THE COMMUNITY. DURING FISCAL YEAR 2010, CLEARWATER VALLEY HAD 988 ADMISSIONS INVOLVING 3,283 HOSPITAL PATIENT DAYS AND 40,440 OUTPATIENT VISITS IN THE HOSPITAL, EMERGENCY ROOM, AND CLINICS.

CHARITY CARE IS PROVIDED THROUGH MANY REDUCED PRICE SERVICES AND FREE PROGRAMS OFFERED THROUGHOUT THE YEAR BASED UPON ACTIVITIES AND SERVICES WHICH CLEARWATER VALLEY BELIEVES WILL SERVE A BONA FIDE NEED. THESE INCLUDE HEALTH FAIRS, IMMUNIZATIONS CLINICS, HEALTH EDUCATION CLASSES, RURAL EDUCATION TRAINING, AND WELLNESS PROGRAMS. CLEARWATER VALLEY PROVIDED NEARLY \$195,000 IN CHARITY CARE AS WELL AS AN ADDITIONAL \$14,000 OF COSTS INCURRED IN EXCESS OF MEDICAID PAYMENTS RECEIVED DURING THE FISCAL YEAR ENDED JUNE 30, 2010. FURTHER COMMUNITY BENEFITS PROVIDED DURING THE FISCAL YEAR INCLUDE EDUCATION AND WORKFORCE DEVELOPMENT OF OVER \$89,000, COMMUNITY SERVICES OF NEARLY \$101,000, AND CASH AND IN-KIND DONATIONS OF OVER \$16,000.

FORM 990, PART VI, LINE 2

FAMILY RELATIONSHIP:

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

ATTACHMENT 1 (CONT'D)

LENNE BONNER, CURRENT OFFICER, AND BRYAN HIGGINS, CURRENT DIRECTOR, HAVE  
A FAMILY RELATIONSHIP.

FORM 990 PART VI, LINE 4

CHANGES TO ORGANIZATIONAL DOCUMENTS:

DURING FISCAL YEAR ENDED JUNE 30, 2010, CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.'S CONFLICT AND CONFIDENTIALITY PROVISIONS INCLUDED IN THE BYLAWS WERE REVISED.

FORM 990, PART VI, LINE 6

MEMBERS OF ORGANIZATION:

ECHC MAY ELECT ONE OR MORE MEMBERS OF THE GOVERNING BODY AS DESCRIBED IN SCHEDULE O PART VI LINE 7A. ESSENTIA HEALTH HAS RESERVED POWERS WITH RESPECT TO CLEARWATER VALLEY HOSPITAL AND CLINICS, INC. AS DESCRIBED IN SCHEDULE O PART VI LINE 7B.

FORM 990, PART VI, LINE 7A

MEMBER WITH RIGHT TO ELECT GOVERNING BODY:

ACCORDING TO ITS BYLAWS, ECHC SHALL APPOINT AND REMOVE CLEARWATER VALLEY HOSPITAL AND CLINICS, INC. GOVERNING BODY.

FORM 990, PART VI, LINE 7B

MEMBER WITH RIGHT TO APPROVE GOVERNING BODY DECISIONS:

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC. IS A SUBSIDIARY OF ESSENTIA HEALTH, WHOSE BOARD OF DIRECTORS HAS RESERVED POWERS WITH RESPECT TO THIS

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

ATTACHMENT 1 (CONT'D)

CORPORATION AND ITS SUBSIDIARIES, AND ALL OF THE OTHER DIRECT AND  
INDIRECT SUBSIDIARIES OF ESSENTIA HEALTH (COLLECTIVELY, THE "SYSTEM").

ESSENTIA HEALTH'S RESERVED POWERS ARE AS FOLLOWS:

STRATEGIC AND BUSINESS PLANS. AUTHORITY TO CREATE, AND TO APPROVE, THE  
SYSTEM'S STRATEGIC AND BUSINESS PLANS.

MISSION. AUTHORITY TO CREATE, AND TO APPROVE, THE MISSION, PURPOSE AND  
VISION STATEMENTS FOR ALL ENTITIES IN THE SYSTEM BY THE AFFIRMATIVE VOTE  
OF AT LEAST 67% OF THE ESSENTIA HEALTH BOARD OF DIRECTORS.

DEBT. APPROVAL OF THE INCURRENCE OF DEBT BY, AND THE CREATION OF ALL  
MORTGAGES, LIENS, SECURITY INTERESTS, OR OTHER ENCUMBRANCES ON THE ASSETS  
OF, ALL ENTITIES IN THE SYSTEM IN EXCESS OF THE SINGLE OR ANNUAL  
AGGREGATE DOLLAR LIMITS PRESCRIBED IN WRITING BY THE ESSENTIA HEALTH  
BOARD OF DIRECTORS, AND THE AUTHORITY TO CAUSE ALL ENTITIES IN THE SYSTEM  
TO PARTICIPATE IN SYSTEM BORROWING.

GOVERNING INSTRUMENTS. AUTHORITY TO CAUSE, AND TO APPROVE, AMENDMENTS OF  
THE ARTICLES OF INCORPORATION AND BYLAWS OF ALL ENTITIES IN THE SYSTEM.

MERGERS AND ACQUISITIONS. AUTHORITY TO CAUSE, AND TO APPROVE, ALL  
MERGERS, CONSOLIDATIONS, AND DISSOLUTIONS OF ALL ENTITIES IN THE SYSTEM.

AFFILIATIONS AND JOINT VENTURES. AUTHORITY TO CAUSE, AND TO APPROVE, ALL  
AFFILIATIONS, JOINT VENTURES AND OTHER ALLIANCES WITH THIRD PARTIES OF  
ALL ENTITIES IN THE SYSTEM.

TRANSFER OF ASSETS WITHIN THE SYSTEM. AUTHORITY TO TRANSFER ASSETS,  
INCLUDING CASH, BETWEEN AND AMONG ENTITIES WITHIN THE SYSTEM; PROVIDED,  
HOWEVER, THAT ESSENTIA HEALTH SHALL NOT HAVE AUTHORITY TO REQUIRE ANY  
ENTITY IN THE SYSTEM TO TRANSFER ASSETS (A) THAT WOULD CAUSE SUCH ENTITY

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

ATTACHMENT 1 (CONT'D)

TO BE IN DEFAULT OF ITS COVENANTS OR OBLIGATIONS UNDER ANY BOND OR OTHER FINANCING DOCUMENTS; (B) FROM THE CATHOLIC ENTITIES TO THE SECULAR ENTITIES OR FROM THE SECULAR ENTITIES TO THE CATHOLIC ENTITIES IN A MANNER OR TO AN EXTENT THAT WOULD CAUSE THE CATHOLIC ENTITIES TO BE IN VIOLATION OF THE ETHICAL AND RELIGIOUS DIRECTIVES FOR CATHOLIC HEALTH CARE SERVICES IN THE JUDGMENT OF THE LOCAL ORDINARY; OR (C) SUCH THAT MONEY GENERATED BY SERVICES AT SECULAR FACILITIES WITHIN THE SYSTEM BY PROCEDURES THAT ARE CONTRARY TO THE ETHICAL AND RELIGIOUS DIRECTIVES FOR CATHOLIC HEALTH CARE SERVICES WOULD BE USED AT THE CATHOLIC ENTITIES OR MONEY GENERATED BY CATHOLIC ENTITIES WOULD BE USED IN THE PROVIDING OF SERVICES CONTRARY TO THE ETHICAL AND RELIGIOUS DIRECTIVES FOR CATHOLIC HEALTH CARE SERVICES AT SECULAR FACILITIES WITHIN THE SYSTEM.

TRANSFER OF ASSETS OUTSIDE THE SYSTEM. AUTHORITY TO CAUSE, AND TO APPROVE, THE SALE, LEASE OR OTHER TRANSFER OF ASSETS OF ALL ENTITIES IN THE SYSTEM TO PARTIES OUTSIDE OF THE SYSTEM WHEN THE ASSET'S VALUE EXCEEDS THE SINGLE OR ANNUAL AGGREGATE DOLLAR LIMITS PRESCRIBED IN WRITING BY THE ESSENTIA HEALTH BOARD OF DIRECTORS.

SERVICES. AUTHORITY TO CAUSE, AND TO APPROVE, THE ADDITION OF NEW SERVICES AND SERVICE LOCATIONS AND THE DISCONTINUANCE OF SERVICES AND SERVICE LOCATIONS WITHIN ALL ENTITIES IN THE SYSTEM.

BUDGETS. APPROVAL OF CAPITAL AND OPERATING BUDGETS OF ALL ENTITIES IN THE SYSTEM.

PROFESSIONAL SERVICES. SELECTION OF THE GENERAL LEGAL COUNSEL AND EXTERNAL AUDITORS OF ALL ENTITIES IN THE SYSTEM.

ACQUISITIONS. AUTHORITY TO CAUSE, AND TO APPROVE, ALL ACQUISITIONS BY AND

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

ATTACHMENT 1 (CONT'D)

FORMATION OF ENTITIES IN THE SYSTEM.

MARKETING, AUTHORITY TO IMPLEMENT SYSTEM-WIDE MARKETING AND PROMOTIONAL ACTIVITIES.

COMPLIANCE PLANS. AUTHORITY TO CREATE, AND TO APPROVE, CORPORATE COMPLIANCE, SAFETY AND RISK MANAGEMENT PLANS FOR ENTITIES WITHIN THE SYSTEM.

QUALITY PLAN. AUTHORITY TO CREATE, AND TO APPROVE, THE SYSTEM'S QUALITY PLAN.

NON-BUDGETED PURCHASES. APPROVAL OF NON-BUDGETED CAPITAL PURCHASES AND LEASES IN EXCESS OF THE SINGLE OR ANNUAL AGGREGATE DOLLAR LIMITS PRESCRIBED IN WRITING BY ESSENTIA HEALTH FOR ENTITIES WITHIN THE SYSTEM.

HUMAN RESOURCES. AUTHORITY TO CREATE HUMAN RESOURCE POLICIES AND PROCEDURES WITHIN THE SYSTEM.

RESERVED POWERS. AUTHORITY TO CREATE ADDITIONAL ESSENTIA HEALTH RESERVED POWERS BY THE AFFIRMATIVE VOTE OF AT LEAST 80% OF THE ESSENTIA HEALTH BOARD OF DIRECTORS (EXCLUDING THE ESSENTIA HEALTH CEO); PROVIDED, HOWEVER, THAT ANY ADDITIONAL ESSENTIA HEALTH RESERVED POWERS SHALL NOT CONTRAVENE OR HINDER THE RESERVED POWERS OF BENEDEICTINE SISTERS BENEVOLENT ASSOCIATION.

FORM 990, PART VI, LINE 11A

FORM 990 REVIEW PROCESS:

THE 2009 FORM 990 INCLUDING ALL SCHEDULES WAS REVIEWED BY CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.'S MANAGEMENT AND GOVERNING BODY ON TUESDAY, APRIL 26TH, 2011 PRIOR TO FILING WITH THE INTERNAL REVENUE

Name of the organization CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.	Employer identification number 82-0497771
<u>ATTACHMENT 1 (CONT'D)</u>	
SERVICE. EACH CURRENT DIRECTOR OF THE GOVERNING BODY RECEIVED A COPY OF THE 2009 FORM 990. CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.'S CHIEF FINANCIAL OFFICER LED THE REVIEW OF THE FORM AND SCHEDULES AND ANY QUESTIONS WERE DISCUSSED.	
FORM 990, PART VI, LINE 12C  PRACTICES FOR MONITORING AND ENFORCING CONFLICT OF INTEREST POLICY:  INTERESTED PERSONS SHALL ANNUALLY DISCLOSE RELATIONSHIPS WHICH MIGHT LEAD TO A CONFLICT OF INTEREST BY COMPLETING A CONFLICT OF INTEREST DISCLOSURE FORM. INTERESTED PERSONS INCLUDE ANY PERSON IN A POSITION TO EXERCISE SUBSTANTIAL INFLUENCE OVER THE ORGANIZATION. IT INCLUDES BUT IS NOT LIMITED TO ANY DIRECTOR, OFFICER, MANAGEMENT, EMPLOYEE, OR COMMITTEE MEMBER OF ESSENTIA HEALTH OR ANY OF ITS AFFILIATES.  ESSENTIA SHALL BE RESPONSIBLE FOR THE ANNUAL DISTRIBUTION OF CONFLICT OF INTEREST FORMS AND REVIEW OF DISCLOSURES FOR THE GOVERNING BODIES OF ESSENTIA AND ESSENTIA OPERATING MEMBERS AND FOR SENIOR MANAGEMENT EMPLOYEES OF ESSENTIA.  TRANSACTIONS WITH PARTIES WITH WHOM A CONFLICT OF INTEREST EXISTS MAY BE UNDERTAKEN ONLY IF ALL OF THE FOLLOWING ARE OBSERVED: THE CONFLICT OF INTEREST IS FULLY DISCLOSED; THE INTERESTED PERSON WITH THE CONFLICT OF INTEREST DOESN'T PARTICIPATE IN THE APPROVAL OF SUCH TRANSACTIONS; IF PRACTICAL OR APPROPRIATE, A COMPETITIVE BID OR COMPARABLE VALUATION IS OBTAINED; AND THE BOARD OR COMMITTEE OF THE BOARD HAS DETERMINED THAT THE TRANSACTION IS IN THE BEST INTEREST OF THE ORGANIZATION.  DISCLOSURE BY ANY INTERESTED PERSON OTHER THAN A BOARD OR COMMITTEE	

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

ATTACHMENT 1 (CONT'D)

MEMBER SHOULD BE MADE TO THE CHIEF EXECUTIVE OFFICER (OR IF SHE/HE IS THE ONE WITH THE CONFLICT, THEN TO THE BOARD CHAIR), WHO SHALL BRING THE MATTER TO THE ATTENTION OF THE BOARD OR AN APPROPRIATE COMMITTEE OF THE BOARD. DISCLOSURE INVOLVING BOARD OR COMMITTEE MEMBERS SHALL BE MADE TO THE BOARD CHAIR (OR IF SHE/HE IS THE ONE WITH THE CONFLICT, THEN TO THE BOARD VICE CHAIR), WHO SHALL BRING THESE MATTERS TO THE BOARD OR AN APPROPRIATE COMMITTEE OF THE BOARD.

THE BOARD OR COMMITTEE OF THE BOARD SHALL DETERMINE WHETHER A CONFLICT EXISTS AND IF SO, WHETHER THE CONTEMPLATED TRANSACTION MAY BE AUTHORIZED AS JUST, FAIR, AND REASONABLE TO ESSENTIA OR ITS AFFILIATE(S). THE DECISION OF THE BOARD OR A DULY CONSTITUTED COMMITTEE OF THE BOARD ON THESE MATTERS WILL BE AT ITS SOLE DISCRETION, AND ITS CONCERN MUST BE THE WELFARE OF ESSENTIA AND ITS AFFILIATE(S) AND THE ADVANCEMENT OF ITS PURPOSES. THE DECISION OF THE BOARD IS FINAL. IF THE BOARD DETERMINES A CONFLICT DOES NOT EXIST, THE INTERESTED PERSON MAY PROCEED WITH THE TRANSACTION; HOWEVER, HE/SHE WILL NOT BE ELIGIBLE TO VOTE ON RELATED ISSUES SHOULD THEY ARISE. IF THE BOARD DETERMINES A CONFLICT DOES EXIST, THE INTERESTED PERSON WILL BE NOTIFIED OF THE DECISION REGARDING WHETHER THE CONTEMPLATED TRANSACTION WILL BE AUTHORIZED AS JUST, FAIR, AND REASONABLE.

FORM 990, PART VI, LINE 15 A

PROCESS FOR DETERMINING CEO'S COMPENSATION:

AS AN EMPLOYEE OF ECHC, CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.'S CEO'S COMPENSATION IS REVIEWED AND APPROVED BY THE ECHC COMPENSATION

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

ATTACHMENT 1 (CONT'D)

COMMITTEE.

THE PURPOSE OF THE ECHC COMPENSATION COMMITTEE (THE "COMMITTEE") IS TO DETERMINE THE REASONABLENESS OF AND APPROVE THE COMPENSATION OF ECHC EXECUTIVES CONSISTENT WITH THE ECHC AND ESSENTIA HEALTH COMPENSATION PHILOSOPHY. THE PHILOSOPHY IS TO INSURE THAT THE ORGANIZATION IS ABLE TO ATTRACT, RETAIN AND MOTIVATE EMPLOYEES AS WELL AS PROVIDE THE OPPORTUNITY FOR ADJUSTMENTS TO COMPENSATION BASED UPON PERFORMANCE.

THE COMMITTEE WILL CONSIST OF MEMBERS OF THE ECHC BOARD OF DIRECTORS WHO ARE NOT ECHC EMPLOYEES.

THE COMPENSATION REVIEW WILL INCLUDE ALL BENEFITS PAID TO THE ECHC EXECUTIVES.

THE ECHC EXECUTIVES TO BE REVIEWED WILL INCLUDE ALL SENIOR/EXECUTIVE VICE PRESIDENTS, ALL VICE PRESIDENTS, ALL DIRECTORS AND ALL ECHC FACILITY ADMINISTRATORS/CEOS. THE ECHC CEO AND CFO COMPENSATION WILL BE REVIEWED AND APPROVED BY THE ESSENTIA HEALTH BOARD OF DIRECTORS COMPENSATION COMMITTEE.

THE COMMITTEE WILL MEET AT LEAST ANNUALLY TO DETERMINE THE REASONABLENESS OF EXECUTIVE COMPENSATION AS PROPOSED BY ECHC MANAGEMENT CONSISTENT WITH THE ECHC COMPENSATION PHILOSOPHY AND TO APPROVE THE PROPOSED COMPENSATION.

ECHC MANAGEMENT (HR) WILL (I) MONITOR TRENDS IN THE MARKETPLACE ON AN ANNUAL BASIS AND, WHEN APPROPRIATE, MAKE RECOMMENDATIONS TO THE COMMITTEE REGARDING OVERALL SALARY RANGE ADJUSTMENTS PRIOR TO THE ANNUAL BUDGETING PROCESS; AND (II) REVIEW THE MARKET COMPETITIVENESS OF ALL ECHC EXECUTIVE POSITIONS AT LEAST ONCE EVERY TWO YEARS.

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

ATTACHMENT 1 (CONT'D)

PRIOR TO MAKING ITS DETERMINATION, THE COMMITTEE WILL OBTAIN AND RELY

UPON APPROPRIATE DATA AS TO COMPARABILITY. ECHC WILL CONTRACT WITH AN

OUTSIDE THIRD PARTY TO CONDUCT MARKET PRICING ANALYSIS FOR THE ECHC

EXECUTIVES AS WELL AS SALARY RANGE DEVELOPMENT.

THE COMMITTEE WILL ADEQUATELY DOCUMENT THE BASIS FOR ITS DETERMINATION

CONCURRENTLY WITH MAKING THAT DETERMINATION. THE COMMITTEE MINUTES SHALL

INCLUDE:

A. THE TERMS OF THE APPROVED COMPENSATION AND THE DATE APPROVED;

B. THE COMMITTEE MEMBERS PRESENT DURING THE REVIEW, DISCUSSION AND

APPROVAL OF THE PROPOSED COMPENSATION AND THOSE WHO VOTED ON THE PROPOSED

COMPENSATION;

C. IDENTIFICATION OF THE COMPARABILITY DATA OBTAINED AND RELIED UPON BY

THE COMMITTEE AND HOW THE DATA WAS OBTAINED;

D. ANY ACTIONS BY A COMMITTEE MEMBER HAVING A CONFLICT OF INTEREST; AND

E. DOCUMENTATION OF THE BASIS FOR THE DETERMINATION BEFORE THE LATER OF

THE NEXT MEETING OF THE ECHC BOARD OF DIRECTORS OR SIXTY (60) DAYS AFTER

THE FINAL ACTIONS OF THE COMMITTEE ARE TAKEN. THE ECHC BOARD OF

DIRECTORS SHALL APPROVE THE MINUTES AS REASONABLE, ACCURATE AND COMPLETE

WITHIN A REASONABLE TIME THEREAFTER

THE YEAR THIS PROCESS WAS LAST UNDERTAKEN FOR CLEARWATER VALLEY HOSPITAL

AND CLINICS, INC.'S CEO WAS 2009.

FORM 990, PART VI, LINE 19

AVAILABILITY OF GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

ATTACHMENT 1 (CONT'D)

## FINANCIAL STATEMENTS TO THE PUBLIC:

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC. MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC. CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST. CLEARWATER VALLEY HOSPITAL AND CLINICS, INC. IS PART OF ESSENTIA HEALTH'S CONSOLIDATED FINANCIAL STATEMENTS WHICH ARE INCLUDED IN ESSENTIA HEALTH'S ANNUAL REPORT POSTED ON ESSENTIA HEALTH'S WEB SITE.

FORM 990 PART VII, SECTION A, LINE 1A, COLUMN B

## HOURS DEVOTED TO RELATED ORGANIZATIONS:

THE FOLLOWING INDIVIDUALS LISTED IN FORM 990, PART VII, SECTION A, LINE 1A ALSO DEVOTED TIME EACH WEEK TO RELATED ORGANIZATIONS:

GORDON HARMAN: APPROXIMATELY 1 HOUR

MARJORIE KUCHYNKA: APPROXIMATELY 1 HOUR

MARGUERITE MC LAUGHLIN: APPROXIMATELY 1 HOUR

MAURICE MASAR: APPROXIMATELY 1 HOUR

LARRY COONTS: APPROXIMATELY 1 HOUR

GARY REHDER: APPROXIMATELY 1 HOUR

DAN DAVIS: APPROXIMATELY 6 HOURS

SISTER MARY ROCHEFORT: APPROXIMATELY 11 HOURS

SISTER BARBARA JEAN GLODOWSKI: APPROXIMATELY 2 HOURS

BRYAN HIGGINS: APPROXIMATELY 1 HOUR

LEE PIPPENGER: APPROXIMATELY 1 HOUR

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

ATTACHMENT 1 (CONT'D)

MICHAEL HEDRIX IS EMPLOYED AS ECHC'S SENIOR VICE PRESIDENT OF OPERATIONS.

100% OF HIS TIME IS SPENT FURTHERING THE PURPOSE OF ECHC ORGANIZATIONS  
AND ALL RELATED ORGANIZATIONS.

ANDREW GILBERT, MD IS EMPLOYED BY ST. MARY'S HOSPITAL & CLINICS, INC.

100% OF HIS TIME IS SPENT FURTHERING THE PURPOSE OF CLEARWATER VALLEY  
HOSPITAL AND CLINICS, INC. AND ST. MARY'S HOSPITAL & CLINICS, INC.

COLLEEN MEZA IS EMPLOYED BY ECHC AS CLEARWATER VALLEY HOSPITAL AND  
CLINICS, INC.'S AND ST. MARY'S HOSPITAL & CLINICS, INC.'S CHIEF EXECUTIVE  
OFFICER. 100% OF HER TIME IS SPENT FURTHERING THE PURPOSE OF CLEARWATER  
VALLEY HOSPITAL AND CLINICS, INC. AND ST. MARY'S HOSPITAL & CLINICS, INC.

LENNE BONNER IS EMPLOYED BY CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.  
AS CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.'S AND ST. MARY'S HOSPITAL  
& CLINICS, INC.'S CHIEF FINANCIAL OFFICER. 100% OF HER TIME IS SPENT  
FURTHERING THE PURPOSE OF CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.  
AND ST. MARY'S HOSPITAL & CLINICS, INC.

FORM 990, PART XI, LINE 3

CONSOLIDATED A-133:

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC., AS PART OF ESSENTIA  
HEALTH'S CONSOLIDATED FINANCIAL STATEMENTS, WAS REQUIRED AND UNDERWENT A  
CONSOLIDATED AUDIT SET FORTH IN THE SINGLE AUDIT ACT AND OMB CIRCULAR  
A-133. THE CONSOLIDATED AUDIT IS REVIEWED BY THE ESSENTIA HEALTH AUDIT  
COMMITTEE.

SCHEDULE R, PART V, COLUMN C

Name of the organization

CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

Employer identification number

82-0497771

ATTACHMENT 1 (CONT'D)

METHOD USED TO DETERMINE VALUE OF SERVICES, CASH, AND OTHER ASSETS:

THE METHODS USED TO DETERMINE THE AMOUNTS IN SCHEDULE R, PART V, COLUMN C

WERE:

REIMBURSEMENT OF ACTUAL COSTS

FEE BASED UPON EXPECTED COSTS

ATTACHMENT 2990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
PALOUSE IMAGING CONSULTANTS PO BOX 9583 MOSCOW, ID 83843	RADIOLOGY SERVICES	326,693.
WENDI RICHARDSON PO BOX 1916 OROFINO, ID 83544	CRNA	205,513.
GRITMAN MEDICAL CENTER 700 S MAIN ST MOSCOW, ID 83843	RADIOLOGY SERVICES	237,463.
DMS IMAGING, INC PO BOX 86 MINNEAPOLIS, MN 55486	MOBILE RADIOLOGY	144,612.
	<u>TOTAL COMPENSATION</u>	<u>914,281.</u>



**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.)

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because it had one or more related organizations treated as a partnership during the tax year.)

**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.)

**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 of this schedule

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

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

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

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

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

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

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)	ST. MARY'S HOSPITAL & CLINICS, INC.	N	1,122,531.
(2)	ST. MARY'S HOSPITAL & CLINICS, INC.	P	542,675.
(3)	ST. MARY'S HOSPITAL & CLINICS, INC.	O	685,008.
(4)	ECHC	O	1,310,497.
(5)	ECHC	L	373,861.
(6)	ESSENTIA HEALTH	O	387,982.

**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.

Schedule R (Form 990) 2009

► Attach to Form 990 to list additional information for Schedule R (Form 990). Part I; Part II; Part III; Part IV; Part V, line 2; or Part VI.

► See Instructions for Schedule R (Form 990).

## Part I Continuation of Identification of Disregarded Entities

**For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

**Schedule R-1 (Form 990) 2009**

**Part II Continuation of Identification of Related Tax-Exempt Organizations**

(a)	Name, address, and EIN of related organization	(b)	Primary activity	(c)	Legal domicile (state or foreign country)	(d)	Exempt Code section	(e)	Public charity status (if section 501(c)(3))	(f)	Direct controlling entity
ST. BENEDICT'S FAMILY MEDICAL CENTER	82-0227163	CLINIC/HOSP ID		501 (C) (3)	3	-	-	-	-	-	ECHC
709 N LINCOLN	JEROME, ID 83338										
ST. JOSEPH'S MEDICAL CENTER	41-0695602	HOSPITAL	MN	501 (C) (3)	3	-	-	-	-	-	BLIHS
523 N 3RD ST	BRÄINERD, MN 56401										
ST. MARY'S EMS	41-1805811	EMERGENCY SR	MN	501 (C) (3)	9	-	-	-	-	-	SMRHC
1027 WASHINGTON AVE	DETROIT LAKES, MN 56501	CLINIC/HOSP ID		501 (C) (3)	3						ECHC
PO BOX 137	COTTONWOOD, ID 83522										
ST. MARY'S HOSPITAL & CLINICS, INC	82-0226453	CLINIC	MN	501 (C) (3)	3						ECHC
1027 WASHINGTON AVE	DETROIT LAKES, MN 56501										
ST. MARY'S REGIONAL HEALTH CENTER	41-1620386	CLINIC/HOSP MN		501 (C) (3)	3						ECHC
1027 WASHINGTON AVE	DETROIT LAKES, MN 56501										
ESSENTIA HEALTH	20-0360007	SUPPORTING	MN	501 (C) (3)	3						ECHC
502 E 2ND ST	DULUTH, MN 55805	CLINIC/HOSP DE		501 (C) (3)	3						ESSENTIA
INNOVIS HEALTH, LLC	26-1175213										
1702 S UNIVERSITY DR	FARGO, ND 58103										
MIDWEST MEDICAL EQUIPMENT & SUPPLY INC	41-1674021	MEDICAL EQUI MN		501 (C) (3)	9						SMDC
4418 HAINES RD	DULUTH, MN 55811	CLINIC/HOSP MN		501 (C) (3)	3						
SMDC MEDICAL CENTER	41-1878730										
502 E 2ND ST	DULUTH, MN 55805										
PINE MEDICAL CENTER	41-1884597	CLINIC/HOSP MN		501 (C) (3)	3						SMDC
109 COURT AVE S	SANDSTONE, MN 55072										
POLINSKY MEDICAL REHABILITATION CENTER	41-0691275	CLINIC/HOSP MN		501 (C) (3)	3						SMMC
530 E 2ND ST	DULUTH, MN 55805										
ST. MARY'S DULUTH CLINIC FOUNDATION	41-2016979	FOUNDATION	MN	501 (C) (3)	7						SMDC
400 E 3RD ST	DULUTH, MN 55805										
ST. MARY'S DULUTH CLINIC HEALTH SYSTEM	41-1836633	CLINIC/HOSP MN		501 (C) (3)	3						ESSENTIA
407 E 3RD ST	DULUTH, MN 55805										
ST. MARY'S HOSPITAL OF SUPERIOR	41-1811073	CLINIC/HOSP WI		501 (C) (3)	3						SMMC
3500 TOWER AVE	SUPERIOR, WI 54880										
ST. MARY'S MEDICAL CENTER	41-0695604	CLINIC/HOSP MN		501 (C) (3)	3						SMDC
407 E 3RD ST	DULUTH, MN 55805										
THE DULUTH CLINIC, LTD	41-0883623	CLINIC/HOSP MN		501 (C) (3)	3						SMDC
400 E 3RD ST	DULUTH, MN 55805										
FIRST CARE MEDICAL SERVICES	41-0706143	CLINIC/HOSP MN		501 (C) (3)	3						ECHC
900 HILLIGROSS BLVD SE	FOSSSTON, MN 56542										

## Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
MINNESOTA VALLEY HEALTH CENTER	41-0837659	HOSPITAL/NH	501 (C) (3)	3	- ECHC
621 S 4TH ST	LESUEUR, MN 56058	MN	501 (C) (3)	3	- ECHC
ESSENTIA INSTITUTE OF RURAL HEALTH	27-1291124	RESEARCH	501 (C) (3)	4	- ESSENTIA
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
INNOVIS HEALTH FOUNDATION	27-1984704	FOUNDATION	501 (C) (3)	7	INNOVIS
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
621 S 4TH ST	LESUEUR, MN 56058	MN	501 (C) (3)	3	- ECHC
ESSENTIA INSTITUTE OF RURAL HEALTH	27-1291124	RESEARCH	501 (C) (3)	4	- ESSENTIA
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
INNOVIS HEALTH FOUNDATION	27-1984704	FOUNDATION	501 (C) (3)	7	INNOVIS
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
621 S 4TH ST	LESUEUR, MN 56058	MN	501 (C) (3)	3	- ECHC
ESSENTIA INSTITUTE OF RURAL HEALTH	27-1291124	RESEARCH	501 (C) (3)	4	- ESSENTIA
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
INNOVIS HEALTH FOUNDATION	27-1984704	FOUNDATION	501 (C) (3)	7	INNOVIS
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
621 S 4TH ST	LESUEUR, MN 56058	MN	501 (C) (3)	3	- ECHC
ESSENTIA INSTITUTE OF RURAL HEALTH	27-1291124	RESEARCH	501 (C) (3)	4	- ESSENTIA
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
INNOVIS HEALTH FOUNDATION	27-1984704	FOUNDATION	501 (C) (3)	7	INNOVIS
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
621 S 4TH ST	LESUEUR, MN 56058	MN	501 (C) (3)	3	- ECHC
ESSENTIA INSTITUTE OF RURAL HEALTH	27-1291124	RESEARCH	501 (C) (3)	4	- ESSENTIA
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
INNOVIS HEALTH FOUNDATION	27-1984704	FOUNDATION	501 (C) (3)	7	INNOVIS
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
621 S 4TH ST	LESUEUR, MN 56058	MN	501 (C) (3)	3	- ECHC
ESSENTIA INSTITUTE OF RURAL HEALTH	27-1291124	RESEARCH	501 (C) (3)	4	- ESSENTIA
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
INNOVIS HEALTH FOUNDATION	27-1984704	FOUNDATION	501 (C) (3)	7	INNOVIS
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
621 S 4TH ST	LESUEUR, MN 56058	MN	501 (C) (3)	3	- ECHC
ESSENTIA INSTITUTE OF RURAL HEALTH	27-1291124	RESEARCH	501 (C) (3)	4	- ESSENTIA
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
INNOVIS HEALTH FOUNDATION	27-1984704	FOUNDATION	501 (C) (3)	7	INNOVIS
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
621 S 4TH ST	LESUEUR, MN 56058	MN	501 (C) (3)	3	- ECHC
ESSENTIA INSTITUTE OF RURAL HEALTH	27-1291124	RESEARCH	501 (C) (3)	4	- ESSENTIA
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
INNOVIS HEALTH FOUNDATION	27-1984704	FOUNDATION	501 (C) (3)	7	INNOVIS
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
621 S 4TH ST	LESUEUR, MN 56058	MN	501 (C) (3)	3	- ECHC
ESSENTIA INSTITUTE OF RURAL HEALTH	27-1291124	RESEARCH	501 (C) (3)	4	- ESSENTIA
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
INNOVIS HEALTH FOUNDATION	27-1984704	FOUNDATION	501 (C) (3)	7	INNOVIS
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
621 S 4TH ST	LESUEUR, MN 56058	MN	501 (C) (3)	3	- ECHC
ESSENTIA INSTITUTE OF RURAL HEALTH	27-1291124	RESEARCH	501 (C) (3)	4	- ESSENTIA
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
INNOVIS HEALTH FOUNDATION	27-1984704	FOUNDATION	501 (C) (3)	7	INNOVIS
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
621 S 4TH ST	LESUEUR, MN 56058	MN	501 (C) (3)	3	- ECHC
ESSENTIA INSTITUTE OF RURAL HEALTH	27-1291124	RESEARCH	501 (C) (3)	4	- ESSENTIA
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
INNOVIS HEALTH FOUNDATION	27-1984704	FOUNDATION	501 (C) (3)	7	INNOVIS
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
621 S 4TH ST	LESUEUR, MN 56058	MN	501 (C) (3)	3	- ECHC
ESSENTIA INSTITUTE OF RURAL HEALTH	27-1291124	RESEARCH	501 (C) (3)	4	- ESSENTIA
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
INNOVIS HEALTH FOUNDATION	27-1984704	FOUNDATION	501 (C) (3)	7	INNOVIS
502 E 2ND ST	DULUTH, MN 55805	MN	501 (C) (3)	7	INNOVIS
621 S 4TH ST	LESUEUR, MN 56058	MN	501 (C) (3)	3	- ECHC
ESSENTIA INSTITUTE OF RURAL HEALTH	27-1291124	RESEARCH	501 (C) (3)	4	- ESSENTIA
502 E 2ND ST					

## **Continuation of Identification of Related Organizations Taxable as a Partnership**

**Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust**

**Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)**

(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7)		
(8)		
(9)		
(10)		
(11)		
(12)		
(13)		
(14)		
(15)		
(16)		
(17)		
(18)		
(19)		
(20)		
(21)		
(22)		
(23)		
(24)		

Part VI Continuation of Unrelated Organizations Taxable as a Partnership

**Schedule R-1 (Form 990) 2009**