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Form 990

## Return of Organization Exempt From Income Tax

2009

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

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

► 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 10-01-2009 and ending 09-30-2010

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

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

C Name of organization  
 PARTNERS IN HEALTH CARE INC  
 DBA NORTH CANYON MEDICAL CENTER  
 Doing Business As  
 Number and street (or P O box if mail is not delivered to street address)  
 267 North Canyon Drive  
 City or town, state or country, and ZIP + 4  
 GOODING, ID 83330

D Employer identification number

26-1938641

E Telephone number

(208) 934-8765

G Gross receipts \$ 13,812,018

F Name and address of principal officer  
 Earl Fitzpatrick  
 267 North Canyon Drive  
 GOODING, ID 83330H(a) Is this a group return for affiliates?  
 Yes  NoH(b) Are all affiliates included?  
 Yes  No  
 If "No," attach a list (see instructions)

H(c) Group exemption number ►

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

J Website: ► www.ncm-c.org

K Form of organization  Corporation  Trust  Association  Other ►

L Year of formation 2008

M State of legal domicile ID

## Part I Summary

1	Briefly describe the organization's mission or most significant activities To provide quality care close to home
2	Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets
3	Number of voting members of the governing body (Part VI, line 1a) . . . . .
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 . . . . .
b	Net unrelated business taxable income from Form 990-T, line 34 . . . . .
7a	0
7b	0

8	Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year	Current Year
9	Program service revenue (Part VIII, line 2g) . . . . .	795,428	734,428
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	11,059,472	13,070,410
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	18,178	-162,494
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	11,873,078	13,642,344

13	Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .	Prior Year	Current Year
14	Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	51,170	8,714
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	4,511,797	5,623,426
16a	Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ►0		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) . . . . .	5,708,708	9,688,677
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	10,271,675	15,320,817
19	Revenue less expenses Subtract line 18 from line 12 . . . . .	1,601,403	-1,678,473

20	Total assets (Part X, line 16) . . . . .	Beginning of Current Year	End of Year
21	Total liabilities (Part X, line 26) . . . . .	21,381,541	34,304,531
22	Net assets or fund balances Subtract line 21 from line 20 . . . . .	11,306,676	25,893,326
		10,074,865	8,411,205

## Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge
***** Signature of officer Tim Powers CFO Type or print name and title
Date 2011-07-07

Preparer's signature ► LISA CHAFFEE CPA	Date 2011-07-07	Check if self-employed ► <input type="checkbox"/>	Preparer's identifying number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ► EIDE BAILLY LLP 4310 17TH AVE S PO BOX 2545 FARGO, ND 581082545		EIN ►	Phone no ► (701) 239-8500

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

### **Part III Statement of Program Service Accomplishments**

1 Briefly describe the organization's mission

To improve the healthcare of people in our region

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

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

Yes  No

**3** Did the organization cease conducting, or make significant changes in how it conducts, any programs or services?

If "Yes," describe these changes on Schedule O.

Yes  No

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 \$ 1,044,460 including grants of \$ ) (Revenue \$ 4,591,254 )

North Canyon Medical Center is a 15 bed hospital that provides services that include Acute care, telemetry for those patients requiring heart monitoring, swing bed care for those patients discharged from acute care but require a few days additional skilled care (similar to a nursing facility), and hospice care. The hospital had 671 admissions in 2010, of which 66% were Medicare. The inpatient average daily census for the year was 5.4 and the acute average length of stay was 2.9 days. Diagnostic Imaging/Radiology NCMC offers state of the art radiology equipment not normally found in a rural setting. NCMC employs only Certified Radiologic Technologists to perform exams, each having specialized training in the type of exam being given. Also, North Canyon Medical Center received grant money from the Susan B. Komen Foundation that was used to further breast cancer awareness by providing free breast imaging to women who are uninsured or underinsured.

**4b** (Code ) (Expenses \$ 937,867 including grants of \$ ) (Revenue \$ 4,632,093 )

Lab North Canyon Medical Center offers a full service laboratory department staffed by a team of specialists. The laboratory utilizes cutting edge analyzers and equipment to ensure quality, accurate results. The department offers outpatient services. Also, Laboratory staff is available 24 hours a day to assist in the care of Emergency Room patients and patients admitted to the nursing floor. Our laboratory performs the following areas of testing: Hematology, Clinical Chemistry, Immunoassay, Serology, Coagulation, Urinalysis and Microbiology. Each year, the hospital sponsors a Health Fair in a neighboring community and offers lab work to participants at a discounted price.

4c (Code ) (Expenses \$ 769,875 including grants of \$ ) (Revenue \$ 2,637,160 )

Emergency Department NCMC's Emergency Department (ED) is staffed 24 hours per day. On average, patients are seen by a provider within 15 minutes. Helicopter service is available for emergent transfers. The ED had 4,143 visits in 2010, averaging 345 per month.

**4d Other program services (Describe in Schedule O.) See also Additional Data for Description**

(Expenses \$ 10,124,244 including grants of \$ ) (Revenue \$ 1,209,903)

4e Total program service expenses **\$ 12,876,446**

**Part IV Checklist of Required Schedules**

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

2 Is the organization required to complete Schedule B, Schedule of Contributors?

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

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II

5 **Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III

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

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

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

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

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

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.

- 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

12A Was the organization included in consolidated, independent audited financial statements for the tax year?  Yes  No

If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional  12A Yes

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the United States?

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

15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? If "Yes," complete Schedule F, Part II

16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? If "Yes," complete Schedule F, Part III

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

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

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

20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H

	Yes	No
1	Yes	
2	Yes	
3		No
4		No
5		
6		No
7		No
8		No
9		No
10		No
11	Yes	
12		No
13		No
14a		No
14b		No
15		No
16		No
17		No
18		No
19		No
20	Yes	

**Part IV Checklist of Required Schedules (continued)**

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25	24a		No
a	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)	28a		No
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28c		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? If "Yes," complete Schedule L, Part IV	29		No
30	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35		No
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O	38	Yes	

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

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	<b>1a</b> 17	
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	<b>1b</b> 0	
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b> Yes	
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	<b>2a</b> 141	
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	<b>2b</b> Yes	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>3a</b> No	
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	<b>3b</b> No	
<b>4a</b>	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)?	<b>4a</b> No	
<b>4b</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	<b>4b</b> No	
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b> No	
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b> No	
<b>5c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	<b>5c</b> No	
<b>6a</b>	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?	<b>6a</b> No	
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b> No	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>	<b>7a</b> No	
<b>7b</b>		<b>7b</b> No	
<b>7c</b>		<b>7c</b> No	
<b>7d</b>		<b>7d</b> No	
<b>7e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b> No	
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b> No	
<b>7g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b> No	
<b>7h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	<b>7h</b> No	
<b>8</b>	<b>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?	<b>8</b> No	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>	<b>9a</b> No	
<b>9b</b>		<b>9b</b> No	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter	<b>10a</b> No	
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b> No	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter	<b>11a</b> No	
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	<b>11b</b> No	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b> No	
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b> No	

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

### Section A. Governing Body and Management

		Yes	No
<b>1a</b> Enter the number of voting members of the governing body . . .	<b>1a</b>	10	
<b>b</b> Enter the number of voting members that are independent . . .	<b>1b</b>	9	
<b>2</b> 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? . . . . .	<b>2</b>		No
<b>3</b> 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? . . . . .	<b>3</b>	Yes	
<b>4</b> Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . . . . .	<b>4</b>		No
<b>5</b> Did the organization become aware during the year of a material diversion of the organization's assets? . . . . .	<b>5</b>		No
<b>6</b> Does the organization have members or stockholders? . . . . .	<b>6</b>	Yes	
<b>7a</b> Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	<b>7a</b>	Yes	
<b>b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .	<b>7b</b>	Yes	
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
<b>a</b> The governing body? . . . . .	<b>8a</b>	Yes	
<b>b</b> Each committee with authority to act on behalf of the governing body? . . . . .	<b>8b</b>		No
<b>9</b> 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 . . . . .	<b>9</b>		No

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

		Yes	No
<b>10a</b> Does the organization have local chapters, branches, or affiliates? . . . . .	<b>10a</b>		No
<b>b</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? . . . . .	<b>10b</b>		
<b>11</b> Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? . . . . .	<b>11</b>	Yes	
<b>11A</b> Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .			
<b>12a</b> Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	<b>12a</b>	Yes	
<b>b</b> Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	<b>12b</b>	Yes	
<b>c</b> Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .	<b>12c</b>	Yes	
<b>13</b> Does the organization have a written whistleblower policy? . . . . .	<b>13</b>		No
<b>14</b> Does the organization have a written document retention and destruction policy? . . . . .	<b>14</b>	Yes	
<b>15</b> 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?			
<b>a</b> The organization's CEO, Executive Director, or top management official . . . . .	<b>15a</b>	Yes	
<b>b</b> Other officers or key employees of the organization . . . . .	<b>15b</b>		No
If "Yes" to line a or b, describe the process in Schedule O (See instructions )			
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	<b>16a</b>		No
<b>b</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? . . . . .	<b>16b</b>		

### Section C. Disclosure

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

**18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply  
 Own website  Another's website  Upon request

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

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization ►  
 Tim Powers  
 267 North Canyon Drive  
 GOODING, ID 83330  
 (208) 934-8765

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

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

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

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

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

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

<b>1b Total</b>	226,248	0	13,391
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**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ►2

		<b>Yes</b>	<b>No</b>
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	<b>3</b>		No
<b>4</b> 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	<b>4</b>		No
<b>5</b> 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	<b>5</b>	Yes	

## 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

<b>(A)</b> Name and business address	<b>(B)</b> Description of services	<b>(C)</b> Compensation
EMPA 134 4th Ave West Gooding, ID 83330	ER PA's	478,470
Southern Idaho Radiology 834 Falls Ave Suite 1020-D Twin Falls, ID 83330	Diagnostic Imaging	129,957
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ►2		

**Part VIII Statement of Revenue**

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>					
	<b>b</b> Membership dues . . . . .	<b>1b</b>					
	<b>c</b> Fundraising events . . . . .	<b>1c</b>					
	<b>d</b> Related organizations . . . . .	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b>	689,412				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	45,016				
	<b>g</b> Noncash contributions included in lines 1a-1f \$ _____						
	<b>h</b> <b>Total.</b> Add lines 1a-1f . . . . . ►		734,428				
<b>Program Service Revenue</b>	Business Code						
			<b>2a</b> Patient Service Revenue	900,099	12,980,283	12,980,283	
			<b>b</b> Miscellaneous	900,099	51,956	51,956	
			<b>c</b> Auxiliary revenues	900,099	38,171	38,171	
			<b>d</b> _____				
			<b>e</b> _____				
	<b>f</b> All other program service revenue						
	<b>g</b> <b>Total.</b> Add lines 2a-2f . . . . . ►		13,070,410				
<b>Other Revenue</b>	Investment income (including dividends, interest and other similar amounts) . . . . . ►						
				7,180		7,180	
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . . . ►						
	<b>5</b> Royalties . . . . . ►						
	<b>6a</b> Gross Rents	(i) Real	(ii) Personal				
	<b>b</b> Less rental expenses						
<b>c</b> Rental income or (loss)							
<b>d</b> Net rental income or (loss) . . . . . ►							
<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
<b>b</b> Less cost or other basis and sales expenses		169,674					
<b>c</b> Gain or (loss)		-169,674					
<b>d</b> Net gain or (loss) . . . . . ►		-169,674		-169,674			
<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a						
<b>b</b> Less direct expenses . . . . . b							
<b>c</b> Net income or (loss) from fundraising events . . . . . ►							
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .	a						
<b>b</b> Less direct expenses . . . . . b							
<b>c</b> Net income or (loss) from gaming activities . . . . . ►							
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	a						
<b>b</b> Less cost of goods sold . . . . . b							
<b>c</b> Net income or (loss) from sales of inventory . . . . . ►							
Miscellaneous Revenue	Business Code						
<b>11a</b> _____							
<b>b</b> _____							
<b>c</b> _____							
<b>d</b> All other revenue . . . . .							
<b>e</b> <b>Total.</b> Add lines 11a-11d . . . . . ►							
<b>12</b> <b>Total revenue.</b> See Instructions . . . . . ►		13,642,344	13,070,410	0	-162,494		

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	8,714	8,714		
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees . . . . .	257,457	70,961	186,496	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
7 Other salaries and wages	4,079,113	3,374,529	704,584	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	128,977	103,922	25,055	
9 Other employee benefits . . . . .	837,422	680,014	157,408	
10 Payroll taxes . . . . .	320,457	258,206	62,251	
11 Fees for services (non-employees)				
a Management . . . . .	29,714		29,714	
b Legal . . . . .	1,847		1,847	
c Accounting . . . . .	35,246		35,246	
d Lobbying . . . . .				
e Professional fundraising See Part IV, line 17 . . . . .				
f Investment management fees . . . . .				
g Other . . . . .	2,458,596	1,971,485	487,111	
12 Advertising and promotion . . . . .	118,284		118,284	
13 Office expenses . . . . .	1,526,609	1,186,285	340,324	
14 Information technology . . . . .	208,817		208,817	
15 Royalties . . . . .				
16 Occupancy . . . . .	147,866	147,866		
17 Travel . . . . .	44,596	29,101	15,495	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19 Conferences, conventions, and meetings . . . . .	54,284	41,515	12,769	
20 Interest . . . . .	1,023,301	1,023,301		
21 Payments to affiliates . . . . .				
22 Depreciation, depletion, and amortization . . . . .	1,733,794	1,733,794		
23 Insurance . . . . .	138,888	124,802	14,086	
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	1,996,681	1,996,681		
b Recruitment	80,120	6,961	73,159	
c Transcription	39,151	39,151		
d Health Fair	37,238	37,238		
e Auxiliary Expenses	11,697	11,697		
f All other expenses	1,948	30,223	-28,275	
<b>25 Total functional expenses.</b> Add lines 1 through 24f	15,320,817	12,876,446	2,444,371	0
<b>26 Joint costs.</b> Check here <input checked="" 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**

		<b>(A)</b> Beginning of year	<b>(B)</b> End of year
Assets	1 Cash—non-interest-bearing . . . . .	<b>1</b>	
	2 Savings and temporary cash investments . . . . .	2,860,942	<b>2</b> 1,192,783
	3 Pledges and grants receivable, net . . . . .	<b>3</b>	
	4 Accounts receivable, net . . . . .	1,871,704	<b>4</b> 2,239,162
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .	<b>5</b>	
	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 . . . . .	<b>6</b>	
	7 Notes and loans receivable, net . . . . .	<b>7</b>	
	8 Inventories for sale or use . . . . .	147,165	<b>8</b> 336,080
	9 Prepaid expenses and deferred charges . . . . .	134,816	<b>9</b> 125,719
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	<b>10a</b>	31,959,534
	b Less accumulated depreciation . . . . .	<b>10b</b> 2,907,647	14,505,752
		<b>10c</b>	29,051,887
	11 Investments—publicly traded securities . . . . .	<b>11</b>	
	12 Investments—other securities See Part IV, line 11 . . . . .	63,000	<b>12</b>
	13 Investments—program-related See Part IV, line 11 . . . . .	6,801	<b>13</b> 610
	14 Intangible assets . . . . .	<b>14</b>	
	15 Other assets See Part IV, line 11 . . . . .	1,791,361	<b>15</b> 1,358,290
	<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	21,381,541	<b>16</b> 34,304,531
Liabilities	17 Accounts payable and accrued expenses . . . . .	677,258	<b>17</b> 1,733,422
	18 Grants payable . . . . .	<b>18</b>	
	19 Deferred revenue . . . . .	<b>19</b>	
	20 Tax-exempt bond liabilities . . . . .	<b>20</b>	
	21 Escrow or custodial account liability Complete Part IV of Schedule D . . . . .	<b>21</b>	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .	<b>22</b>	
	23 Secured mortgages and notes payable to unrelated third parties . . . . .	10,139,175	<b>23</b> 24,159,904
	24 Unsecured notes and loans payable to unrelated third parties . . . . .	<b>24</b>	
	25 Other liabilities Complete Part X of Schedule D . . . . .	490,243	<b>25</b> 0
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	11,306,676	<b>26</b> 25,893,326
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
	27 Unrestricted net assets . . . . .	10,074,865	<b>27</b> 8,411,205
	28 Temporarily restricted net assets . . . . .	<b>28</b>	
	29 Permanently restricted net assets . . . . .	<b>29</b>	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>		
	30 Capital stock or trust principal, or current funds . . . . .	<b>30</b>	
	31 Paid-in or capital surplus, or land, building or equipment fund . . . . .	<b>31</b>	
	32 Retained earnings, endowment, accumulated income, or other funds . . . . .	<b>32</b>	
	33 Total net assets or fund balances . . . . .	10,074,865	<b>33</b> 8,411,205
	<b>34 Total liabilities and net assets/fund balances . . . . .</b>	<b>34</b>	34,304,531

**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 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 separated basis

**3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .

**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
<b>2a</b>		No
<b>2b</b>	Yes	
<b>2c</b>	Yes	
<b>3a</b>	Yes	
<b>3b</b>	Yes	

2009

Open to Public  
Inspection**SCHEDULE A**  
(Form 990 or 990EZ)**Public Charity Status and Public Support**

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

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

Department of the Treasury  
Internal Revenue ServiceName of the organization  
PARTNERS IN HEALTH CARE INC  
DBA NORTH CANYON MEDICAL CENTER

Employer identification number

26-1938641

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

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

1  A church, convention of churches, or association of churches **section 170(b)(1)(A)(i)**.

2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)

3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 <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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 <b>Total support</b> (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 <b>First Five Years</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b>						►

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

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2008 Schedule A, Part II, line 14	15	
16a <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 <b>stop here</b> . The organization qualifies as a publicly supported organization		►
b <b>33 1/3% support test—2008.</b> If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		►
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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
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		►

**Part III Support Schedule for Organizations Described in IRC 509(a)(2)**  
 (Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (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						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
<b>13 Total support</b> (Add lines 9, 10c, 11 and 12 )						
<b>14 First Five Years</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b>						

**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
<b>19a 33 1/3% support tests—2009.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization	
<b>b 33 1/3% support tests—2008.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization	
<b>20 Private Foundation</b> If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions	

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

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2009

Open to Public  
Inspection**SCHEDULE D**  
(Form 990)**Supplemental Financial Statements**

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

Department of the Treasury  
Internal Revenue Service**Name of the organization**PARTNERS IN HEALTH CARE INC  
DBA NORTH CANYON MEDICAL CENTER**Employer identification number**

26-1938641

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e.g., recreation or pleasure)  Preservation of an historically importantly land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ► \_\_\_\_\_

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

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ \_\_\_\_\_

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

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

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

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

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

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

a Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

b Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

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

a  Public exhibition      d  Loan or exchange programs  
 b  Scholarly research      e  Other  
 c  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	19,740
1d	38,171
1e	52,984
1f	4,927

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

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

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

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

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

a Board designated or quasi-endowment ►

b Permanent endowment ►

c Term endowment ►

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

(i) unrelated organizations . . . . .  Yes  No

(ii) related organizations . . . . .  Yes  No

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . .  Yes  No

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		394,396		394,396
b Buildings . . . . .		13,916,978	444,759	13,472,219
c Leasehold improvements . . . . .				
d Equipment . . . . .	17,648,160	2,462,888		15,185,272
e Other . . . . .				
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ►				29,051,887

**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		
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 12 )	<b>►</b>	

**Total.** (Column (b) should equal Form 990, Part X, col (B), line 1)

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

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**Total.** (Column (b) should equal Form 990, Part X, col (B) line 13)

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

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**Total** (Column (b) should 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	

**Total.** (Column (b) should equal Form 990, Part X, col (B) line 25)

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	13,642,344
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	15,320,817
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-1,678,473
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	14,813
9	Total adjustments (net) Add lines 4 - 8	9	14,813
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-1,663,660

**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	10,625,478
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	-2,978,695
e	Add lines 2a through 2d . . . . .	2e	-2,978,695
3	Subtract line 2e from line 1 . . . . .	3	13,604,173
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	38,171
c	Add lines 4a and 4b . . . . .	4c	38,171
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5	13,642,344

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

1	Total expenses and losses per audited financial statements . . . . .	1	12,289,138
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	0
3	Subtract line 2e from line 1 . . . . .	3	12,289,138
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	3,031,679
c	Add lines 4a and 4b . . . . .	4c	3,031,679
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5	15,320,817

**Part XIV Supplemental Information**

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

Identifier	Return Reference	Explanation
Part IV, Line 1b		Partners In Health Care, Inc has an Auxiliary that operates using the EIN of Partners The income and expenses for the Auxiliary are included in Part VIII and Part IX, however the assets, liabilities, and equities for the Auxiliary are not included in Part X
Part X	Description of Uncertain Tax Positions Under FIN 48	The District's component unit, Partners in Health Care (PIH), has been determined to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code PIH has adopted the provisions of FASB Accounting Standards Codification Topic ASC 740-10 (previously Financial Interpretation No 48, Accounting for Uncertainty in Income Taxes), on October 1, 2010 The implementation of this standard had no impact on the financial statements As of both the date of adoption, and as of September 30, 2010, the unrecognized tax benefit accrual was zero PIH will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred PIH is no longer subject to Federal tax examinations by tax authorities for years before 2007 and state examinations for years before 2007
Part XI, Line 8 - Other Adjustments		Auxiliary net loss 14813
Part XII, Line 2d - Other Adjustments		Bad debt expenses included in revenues -1996681 Interest expense included in revenues -1023301 Auxiliary donations included in revenues 41287
Part XII, Line 4b - Other Adjustments		Auxiliary revenues 38171
Part XIII, Line 4b - Other Adjustments		Bad debt Expense included in revenues 1996681 Interest expense included in revenues 1023301 Auxiliary Expenses 11697

SCHEDULE H  
(Form 990)

## Hospitals

OMB No 1545-0047

2009

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► Complete if the organization answered "Yes" to Form 990, Part IV, question 20.

► Attach to Form 990.

► See separate instructions.

## Name of the organization

PARTNERS IN HEALTH CARE INC  
DBA NORTH CANYON MEDICAL CENTER

## Employer identification number

26-1938641

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

	Yes	No
1a Does the organization have a charity care policy? If "No," skip to question 6a . . . . .	1a	Yes
b If "Yes," is it a written policy? . . . . .	1b	Yes
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals		
<input checked="" type="checkbox"/> Applied uniformly to all hospitals	Applied uniformly to most hospitals	
<input type="checkbox"/> 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 <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care	3a	Yes
<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____		
b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . .	3b	Yes
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other _____ %	12500.00000000000	
c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care		
4 Does the organization's policy provide free or discounted care to the "medically indigent"? . . . . .	4	Yes
5a Does the organization budget amounts for free or discounted care provided under its charity care policy? . . . . .	5a	Yes
b If "Yes," did the organization's charity care expenses exceed the budgeted amount? . . . . .	5b	No
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .	5c	
6a Does the organization prepare an annual community benefit report? . . . . .	6a	Yes
6b If "Yes," does the organization make it available to the public? . . . . .	6b	Yes
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H		

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

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2) . . . . .			19,244		19,244	0 140 %
b Unreimbursed Medicaid (from Worksheet 3, column a) . . . . .			1,289,268	1,039,541	249,727	1 870 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b) . . . . .						
d Total Charity Care and Means-Tested Government Programs . . . . .			1,308,512	1,039,541	268,971	2 010 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			37,238	30,000	7,238	0 050 %
f Health professions education (from Worksheet 5) . . . . .						
g Subsidized health services (from Worksheet 6) . . . . .			1,906,165	732,031	1,174,134	8 810 %
h Research (from Worksheet 7) . . . . .						
i Cash and in-kind contributions to community groups (from Worksheet 8) . . . . .			8,714		8,714	0 070 %
j Total Other Benefits . . . . .			1,952,117	762,031	1,190,086	8 930 %
k Total. Add lines 7d and 7j . . . . .			3,260,629	1,801,572	1,459,057	10 940 %

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

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

**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? . . . . .

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

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 . . . . .

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

	Yes	No
1		No
2	909,789	
3	18,201	
4		

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) . . . . .

6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .

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

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? . . . . .

9b If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI . . . . .

9a	Yes
9b	Yes

**Part IV Management Companies and Joint Ventures**

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

## Part V Facility Information

**Part VI Supplemental Information**

Complete this part to provide the following information

**1** Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

See additional data

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

Part VI, Line 2 The services considered and provided beyond the typical scope of services of a critical access hospital are determined and assessed based upon statistical analysis and service requirements that the community is demanding

**3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

Part VI, Line 3 The hospital has a Patient Financial Services (PFS) department, that strives to treat all patients equitably, with dignity respect and compassion PFS informs patients about programs available, including the charity care program If the patient is interested in the program, PFS will verbally inform the patient about the guidelines and/or send forms that are required to join the program(s)

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

Part VI, Line 4 Gooding, ID, is a rural community with approximately 3400 residents There are two other hospitals in communities within 35 miles The market place is primarily comprised of Medicaid and Medicare residents, demonstrated by the hospital's payor mix Medicaid and Medicare make up 75% of this mix

**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

See additional data

**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 I  
(Form 990)**

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

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

**► Attach to Form 990**

2009

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Department of the Treasury  
Internal Revenue Service

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Name of the organization

## PARTNERS IN HEALTH CARE INC

DBA NORTH CANYON MEDICAL CENTER

**Employer identification number**

26-1938641

Part I General

## Part I General Information

**1** Does the organization maintain records?

**Employer identification number**

26-1938641

## Part I General Information on Grants and Assistance

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

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

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule T-1 (Form 990) if additional space is needed.

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

**Part III Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

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

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 Funds are paid directly to vendors or suppliers on behalf of the designated beneficiary of the grants or contributions The designated beneficiary is a qualified charitable organization or governmental organization
	</	

**Schedule J**  
(Form 990)**Compensation Information**

OMB No 1545-0047

**2009****Open to Public  
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Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees  
**► Complete if the organization answered "Yes" to Form 990, Part IV, question 23.**  
**► Attach to Form 990. ► See separate instructions.**

**Name of the organization**PARTNERS IN HEALTH CARE INC  
DBA NORTH CANYON MEDICAL CENTER**Employer identification number**

26-1938641

**Part I Questions Regarding Compensation**

Yes No

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

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

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

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

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

<input type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract
<input type="checkbox"/> Independent compensation consultant	<input type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input 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 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.**

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

**a** The organization?

**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)?

<b>1b</b>		
<b>2</b>		
<b>4a</b>	Yes	
<b>4b</b>	No	
<b>4c</b>	No	
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>		No
<b>8</b>		No
<b>9</b>		

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

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

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

**Part III Supplemental Information**

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

Identifier	Return Reference	Explanation
	Part I, Line 4a	Rod Larsen \$22,771
Supplemental Information	Part III	Earl Fitzpatrick's compensation is paid by an unrelated organization St. Luke's Health System 420 West Idaho St Boise, ID 83702

**SCHEDULE O**  
**(Form 990)****Supplemental Information to Form 990****2009****Open to Public  
Inspection**

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

Department of the Treasury  
Internal Revenue Service**Name of the organization**PARTNERS IN HEALTH CARE INC  
DBA NORTH CANYON MEDICAL CENTER**Employer identification number**

26-1938641

Identifier	Return Reference	Explanation
Form 990, Part III, line 2	New Program Services	Surgeries are a new service offered due to a surgical unit being added beginning in June of 2010

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 3		The CEO of Partners in Health Care is employed by St. Luke's Health System

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		There are two classes of members. The Class A member is Gooding County Memorial Hospital District which has 840 voting units and the Class B member is St. Luke's Health System, Ltd. which has 160 voting units.

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		Class A members elect 84% of the directors and Class B members elect 16% of the members

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		The majority of the Class A directors and the Class B directors must approve the following 1 Amendment to bylaws, 2 Any activity outside of the corporation's ordinary course of business, 3 Annual budget 4 Adoption of the corporation's three-year strategic plan and any modifications to the plan, unless approved in the budget 5 Contracting or incurring of any liability for or on behalf of the corporation in the ordinary course of business in excess of \$100,000 at any one time and \$250,000 cumulative 6 Capital expenditures in excess of \$100,000 if not in the budget, 7 Transfer of voting rights, mergers, consolidations or other business combinations 8 Contracts with a member or an affiliate of a member of which the member has a direct economic interest

<b>Identifier</b>	<b>Return Reference</b>	<b>Explanation</b>
Form 990, Part VI, Section A, line 8b		There are no committees with the authority to act on behalf of the governing body

<b>Identifier</b>	<b>Return Reference</b>	<b>Explanation</b>
Form 990, Part VI, Section B, line 11		The Form 990 is reviewed by the CFO and Controller. The board members also receive an electronic copy of the Form 990 prior to it being filed

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		All officers and board members are covered under this policy. At all levels the board is responsible to assess, review and resolve such conflicts. Where a conflict exists, the affected parties must excuse themselves from participation in situation.

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15a		The Partners In Health Care board of directors and the St Luke's Health System board of directors approve the compensation of the CEO. Partners provide a salary recommendation to St Luke's for the compensation amount paid to Earl. St Luke's board votes on a recommended salary increase and then partners will need to approve the salary amount prior to it going into effect. State hospital association data is used as comparability data. The evaluation process last took place in February 2010.

<b>Identifier</b>	<b>Return Reference</b>	<b>Explanation</b>
Form 990, Part VI, Section C, line 19		These documents are not available upon request

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 13		The organization does not have a written whistleblower policy in place, however they do have a hotline number which can be called in order to report any compliance issues. The number only works when calling from within the hospital.

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**SCHEDULE R**  
**(Form 990)**

## Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2009

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

**Name of the organization**  
PARTNERS IN HEALTH CARE INC  
DBA NORTH CANYON MEDICAL CENTER

**Employer identification number**

26-193864

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

<b>(a)</b> Name, address, and EIN of disregarded entity	<b>(b)</b> Primary activity	<b>(c)</b> Legal domicile (state or foreign country)	<b>(d)</b> Total income	<b>(e)</b> End-of-year assets	<b>(f)</b> Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
Gooding County Memorial Hospital District  1120 Montana St  Gooding, ID 83330 82-6001356	Hospital / Health Care	ID	Government entity		N/A

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

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

- a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)
- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)
- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees
- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses
- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

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

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

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

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

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

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 26-1938641

**Name:** PARTNERS IN HEALTH CARE INC  
DBA NORTH CANYON MEDICAL CENTER

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

#### 4d. Other program services

(Code	(Expenses \$	10,124,244 including grants of \$	) (Revenue \$	1,209,903 )
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North Canyon Medical Center provides a wide range of surgical services in technologically advanced facilities. Surgical services include Otolaryngology (ENT), Gastrointestinal (GI), Orthopedics, Gynecology, General Surgery, Pain Management, and Urology. North Canyon Fitness & Rehabilitation Center is the rehabilitation services department of North Canyon Medical Center. Our rehabilitation services are provided by trained, licensed professionals who specialize in physical, aquatic, occupational, and speech therapy. We provide inpatient therapy at North Canyon Medical Center and outpatient therapy at the NCMC Fitness & Rehabilitation Center. Additional services provided by North Canyon Medical Center include Nutrition Services, a Specialty Clinic, and a Durable Medical Equipment License so the hospital can provide equipment to patients for their home use.

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

<i><b>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</b></i>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
Bad Debt	1,996,681	1,996,681		
Recruitment	80,120	6,961	73,159	
Transcription	39,151	39,151		
Health Fair	37,238	37,238		
Auxiliary Expenses	11,697	11,697		

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 26-1938641

**Name:** PARTNERS IN HEALTH CARE INC  
DBA NORTH CANYON MEDICAL CENTER

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

Part I, Line 7 The organization used the following methods to determine the costs for Part I, Line 7 Rows a and b Amounts listed were converted to cost using Worksheet 2Row e Amounts reported are expenses associated with the organization's Health Fair which came directly from the GLRow g Determined amounts from the Medicare Cost report Row i Amounts listed were measured by actual cash donations given

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

Part I, Line 7f The amount of bad debt expense removed from the denominator is \$1,996,681

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

Part III, Line 4 Financial Statement Bad Debt Expense Footnote The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision. Bad debt expense was converted to cost using the ratio of patient care cost to charges calculated using Worksheet 2. The Hospital does not offer discounts for payment on bad debt. The Hospital applies funds collected on bad debt against the patient account. We estimate that of the application for charity care that are given out, only about half of them come back. During the fiscal year, we recorded \$39,946 of charity care at gross patient charges which was converted to cost of \$18,201 using worksheet 2. Therefore we estimate that there is an additional \$18,201 of bad debt expense which could be attributable to patients eligible under the charity care policy.

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

Part III, Line 8 Medicare allowable costs were obtained from the 2009 Medicare Cost Report

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

Part III, Line 9b Our billing department bills patients within 4 days from the date of service On the 10th day, self pay outstanding accounts are sent to our third party biller, HRMG The same is true after insurance payments are made and the open account goes to self pay status Throughout a full 120 days, various phone calls and letters are used to contact the patient in order to follow through with collection processes and to try to qualify patients for charity care or financial assistance After 120 days, HRMG sends a Bad Debt Recommendation list to the hospital to review The Director of Patient Financial Services reviews this list prior to sending to an outside collection agency Any collections from the outside collection agency are applied against Bad Debt

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

Part V 1 - Fitness and Rehabilitation Center

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

Part VI, Line 1 The community benefit report is made public at the request of the District. It is available upon request

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

Part VI, Line 5 The hospital's Board of Directors is primarily made up of residents in the surrounding community The medical staff is responsible for paying for their own medical education and money is not spent on research Therefore, the organization does not spend surplus funds in this manner However, if there are surplus funds, the organization would evaluate spending on additional services to offer to patients The organization does extend medical staff privileges to qualified physicians in the community The hospital also promotes health in the community by offering the following services -The hospital operates an ER that is available to all regardless of ability to pay-The hospital participates in education of healthcare professionals-The hospital participates in government-sponsored health programs (Medicare and Medicaid)-The hospital has volunteer opportunities available-The hospital sponsors a health fair annually that gives community members opportunities to have tests performed-The hospital has a specialty clinic that is open one night a week and is free