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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 01-01-2010 and ending 12-31-2010

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

C Name of organization
Episcopal Health Services Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 700 Hicksville Road

Room/suite

City or town, state or country, and ZIP + 4
Bethpage, NY 11714

D Employer identification number
11-1665825

E Telephone number
(516) 349-4643

G Gross receipts $ 192,372,000

F Name and address of principal officer
Rev Lawrence C Provenzano
c/o EHS 700 Hicksville Road
Bethpage, NY 11714

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www ehs org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1976

M State of legal domicile NY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
The mission of Episcopal Health Services Inc of the Diocese of Long Island is to provide quality health and long-term care with an emphasis on patient safety through its hospital,ambulatory care facilities,nursing homes and continuing medical education

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	10
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	1,832
6	Total number of volunteers (estimate if necessary)	**6**	75
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	1,643,000	1,576,000
9	Program service revenue (Part VIII, line 2g)	174,802,000	180,903,000
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,216,000	1,180,000
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,430,000	8,241,000
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	186,091,000	191,900,000
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	116,585,000	120,387,000
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	67,944,000	69,204,000
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	184,529,000	189,591,000
19	Revenue less expenses Subtract line 18 from line 12	1,562,000	2,309,000

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	132,965,000	136,036,000
21	Total liabilities (Part X, line 26)	101,938,000	102,472,000
22	Net assets or fund balances Subtract line 21 from line 20	31,027,000	33,564,000

Part II Signature Block

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

Sign Here

****** — Signature of officer — 2011-11-11 — Date

William Moore CFO — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: Angelo Pirozzi CPA	Preparer's signature: Angelo Pirozzi CPA	Date	Check if self-employed ▶☐	PTIN
Firm's name ▶ CHARLES A BARRAGATO & CO CPAS				Firm's EIN ▶
Firm's address ▶ 950 Third Avenue New York, NY 100222705				Phone no ▶ (212) 371-4446

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission

The mission of Episcopal Health Services Inc of the Diocese of Long Island is to provide quality health and long-term care with an emphasis on patient safety through its hospital,ambulatory care facilities,nursing homes and continuing medical education

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 160,637,580 including grants of $) (Revenue $ 171,297,000)

St John's Episcopal Hospital provided the following services to residents of its local community in 2010 59,000 Adult and pediatric medical and surgical days of care to 9,600 patients 16,000 Days of behavioral healthcare to 930 patients 880 Babies were born 26 100 patients were treated and released from the 24 HR emergency service 6,300 visits to the chronic dialysis service 115,900 visits to the ambulatory and behavioral health clinics

4b (Code) (Expenses $ 13,980,000 including grants of $) (Revenue $ 11,883,000)

Bishop Charles Waldo Maclean Nursing Home provided the following exempt purpose services in 2010 54,120 days of long term nursing home care were furnished to patients

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 174,617,580

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	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.*	11b		No
c	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.*	11c		No
d	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.*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	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 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b	Yes	
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, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b		No

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	239		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	1,832		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	No
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c	No
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	No
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	0		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g	No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h	No
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	No
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			9a	No
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b	No
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a	No
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a	No
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b	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.

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

John Morahan
700 Hicksville Road Suite 210
Bethpage, NY 11714
(516) 349-4643

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

Check if Schedule O contains a response to any question in this Part VII . . . . . ☑

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

- 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, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Will Moore CFO Pitts Manag	37 00			X				0	0	0
(2) Ven Jerome J Nedelka Chair-P C	1 00	X						0	0	0
(3) Ven Bernard Young Board Member	1 00	X						0	0	0
(4) Sheldon Markowitz Chair - Dept of Medicine	0 00				X			257,129	0	29,966
(5) Ronald O Cole Treasurer	1 00	X		X				0	0	0
(6) Robert Blake Physician	0 00				X			160,875	87,847	15,034
(7) Rev Lawrence C Provenzano Pres & Chair	10 00	X		X				0	36,000	6,480
(8) Rev John E Walker III Secretary	1 00	X		X				0	0	0
(9) Rev J Mastine Nisbett Board Member	1 00	X						0	0	0
(10) Rev Darryl F James Board Member	1 00	X						0	0	0
(11) Raymond Pastore MD Chief Med Officer	38 00					X		279,362	0	7,430
(12) Rajiv Prasad A CHR Em Svcs	0 00				X			247,829	0	7,513
(13) Nelson Toebbe CEO Pitts Manag	40 00			X				0	0	0
(14) Margaret O Carpenter Second VP	1 00	X						0	0	0
(15) Manmohan Mahadkar Chair - Dept of OB/GYN	0 00				X			241,439	0	29,966
(16) Luis Hernandez CAO-Kurron	18 00			X				0	0	0

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) Lokesh Reddy MD Chief of Psychiatr	40 00					X		268,429	0	21,926
(18) Kathleen E LeCadre Board Member	1 00	X						0	0	0
(19) John Rinset COO Pitts Manag	40 00			X				0	0	0
(20) John Gupta CEO - Kurron	40 00			X				0	0	0
(21) Gilbert Makabali MD Chairman-Surgery	40 00					X		263,485	0	29,966
(22) Eric Nazzoli MD Chairman-E/R	0 00					X		341,335	0	29,966
(23) Cherian T Palathra Controller	40 00			X				128,202	0	24,988
(24) Canon Diane Porter Board Member	1 00	X						0	0	0
(25) Ann Oswald CFO-Kurron	37 00			X				0	0	0
(26) Alan Steinberg MD Chairman-Pediatric	40 00					X		274,262	0	29,966
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								2,462,347	123,847	233,201

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 ▶ 174

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
PITTS MANAGEMENT ASSOCIATES INC 7946 Goodwood Blvd Baton Rouge, LA 708067634	DAY-TO-DAY MGT SVCS	563,829
KURRON SHARES OF AMERCA INC 885 THIRD AVENUE 24TH FLR NEW YORK, NY 10022	DAY-TO-DAY MGT SVCS	3,176,000
JZANUS LTD 170 HERICHO TURNPIKE FLORAL PARK, NY 11001	MEDICAID SERVICES	835,764
FAR ROCKAWAY HYPERBARIC LLC 155 WHITE PLAINS RD TARRYTOWN, NY 10591	WOUNDCARE SERVICES	988,941
EXPERT ANESTHESIOLOGY SVCS PC 20 LEWIS HILL ROAD HARTSDALE, NY 105302803	ANESTHESIA SERVICES	1,030,000

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 33

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . .	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations . . .	1d				
	e Government grants (contributions)	1e	988,000			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	588,000			
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		1,576,000			
Program Service Revenue		Business Code				
	2a PHYSICIAN BILLING REVENUE	621110	2,075,000	2,075,000		
	b NET PATIENT SERVICE REV	621300	178,828,000	178,828,000		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		180,903,000			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		1,202,000			1,202,000
	4 Income from investment of tax-exempt bond proceeds . . ▶		0			
	5 Royalties . . . . . ▶		0			
		(i) Real	(ii) Personal			
	6a Gross Rents	232,000				
	b Less rental expenses					
	c Rental income or (loss)	232,000				
	d Net rental income or (loss) . . . . . ▶		232,000			232,000
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	450,000				
	b Less cost or other basis and sales expenses	472,000				
	c Gain or (loss)	-22,000				
	d Net gain or (loss) . . . . . ▶		-22,000			-22,000
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . . ▶		0			
	9a Gross income from gaming activities See Part IV, line 19 . a					
	b Less direct expenses . . . . . b					
	c Net income or (loss) from gaming activities . . . ▶		0			
	10a Gross sales of inventory, less returns and allowances . a					
	b Less cost of goods sold . . b					
	c Net income or (loss) from sales of inventory . . ▶		0			
	Miscellaneous Revenue	Business Code				
	11a NON I&R ROTATION	900099	1,359,000	1,359,000		
	b I&R ROTATION INC	900099	801,000	801,000		
	c HEALTHFIRST INVEST INCOME	523000	4,452,000			4,452,000
	d All other revenue		1,397,000			1,397,000
	e **Total.** Add lines 11a–11d . . . . . ▶		8,009,000			
	12 **Total revenue.** See Instructions . . . ▶		191,900,000	183,063,000		7,261,000

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	0			
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,143,000		1,143,000	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	89,024,000	84,472,160	4,551,840	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	4,577,000	4,302,380	274,620	
9	Other employee benefits	18,787,000	17,761,300	1,025,700	
10	Payroll taxes	6,856,000	6,444,640	411,360	
a	Fees for services (non-employees) Management	3,855,000		3,855,000	
b	Legal	564,000	530,160	33,840	
c	Accounting	352,000	330,880	21,120	
d	Lobbying	251,000	235,940	15,060	
e	Professional fundraising services *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	7,827,000	7,357,380	469,620	
12	Advertising and promotion	118,000	110,920	7,080	
13	Office expenses	11,431,000	10,745,140	685,860	
14	Information technology	1,151,000	1,081,940	69,060	
15	Royalties . .	0			
16	Occupancy	4,615,000	4,338,100	276,900	
17	Travel	80,000	75,200	4,800	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	69,000	64,860	4,140	
20	Interest	293,000	275,420	17,580	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	4,300,000	4,042,000	258,000	
23	Insurance	15,165,000	14,255,100	909,900	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Purchased Services Expense	7,944,000	7,467,360	476,640	
b	Other materials and expenses	7,705,000	7,242,700	462,300	
c	Bad Debt	3,484,000	3,484,000		
d					
e					
f	All other expenses	0			
25	**Total functional expenses.** Add lines 1 through 24f	189,591,000	174,617,580	14,973,420	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		21,711,000	1	17,165,000
	2	Savings and temporary cash investments		7,830,000	2	8,004,000
	3	Pledges and grants receivable, net			3	0
	4	Accounts receivable, net		22,144,000	4	25,409,000
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	0
	7	Notes and loans receivable, net			7	0
	8	Inventories for sale or use		382,000	8	316,000
	9	Prepaid expenses and deferred charges		5,171,000	9	4,948,000
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 139,701,000			
	b	Less accumulated depreciation	10b 103,937,000	31,633,000	10c	35,764,000
	11	Investments—publicly traded securities			11	0
	12	Investments—other securities See Part IV, line 11			12	0
	13	Investments—program-related See Part IV, line 11			13	0
	14	Intangible assets			14	0
	15	Other assets See Part IV, line 11		44,094,000	15	44,430,000
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		132,965,000	16	136,036,000
Liabilities	17	Accounts payable and accrued expenses		21,142,000	17	20,087,000
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		8,069,000	23	5,939,000
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		72,727,000	25	76,446,000
	26	**Total liabilities.** Add lines 17 through 25		101,938,000	26	102,472,000
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		29,231,000	27	31,826,000
	28	Temporarily restricted net assets		388,000	28	330,000
	29	Permanently restricted net assets		1,408,000	29	1,408,000
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		31,027,000	33	33,564,000
	34	Total liabilities and net assets/fund balances		132,965,000	34	136,036,000

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	191,900,000
2	Total expenses (must equal Part IX, column (A), line 25)	2	189,591,000
3	Revenue less expenses Subtract line 2 from line 1	3	2,309,000
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	31,027,000
5	Other changes in net assets or fund balances (explain in Schedule O)	5	228,000
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	33,564,000

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Episcopal Health Services Inc

Employer identification number
11-1665825

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 described in **section 170(b)(1)(A)(i).**

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2009 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15
16	Public support percentage from 2009 Schedule A, Part III, line 15	16

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c column (f) divided by line 13 column (f))	17
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18

19a **33 1/3% support tests—2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

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

Name of the organization	Employer identification number
Episcopal Health Services Inc	11-1665825

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☑ No

4a Was a correction made? ☐ Yes ☑ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

A Check ☐ if the filing organization belongs to an affiliated group

B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		144,013
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		106,926
j	Total lines 1c through 1i			250,939
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
Part II-B, Line 1i	Part II-B, Line 1i - Other Activities Description	Episcopal Health Services Inc pays dues to The Healthcare Association of New York State (HANYS), The Greater New York Hospital Association (GNYHA), The Continuing Care Leadership Coalition (CCLC) and 1199/SEIU Healthcare Education Project In accordance with section 6033 (e) of the Internal Revenue Code, and as reported by HANYS, GNYHA, CCLC,and 1199/SEIU a portion of these dues payments are attributable to lobbying activities The lobbying activity costs attributable in 2010 to HANYS, GNYHA, CCLC and 1199/SEIU annual dues payments was $19,842, $5,053, $1,473 and$80,558 respectively Additionally, the organization has contracts with lobbyists who were engaged to lobby legislators on behalf of the organization regarding policies which impact the organization's exempt purpose and which pertain to public health care During 2010 Episcopal Health Services Inc paid $144,013 in connection with these services

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Episcopal Health Services Inc

Employer identification number
11-1665825

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	1,408,000	1,408,000	1,408,000		
b Contributions					
c Investment earnings or losses	8	11	5,000		
d Grants or scholarships					
e Other expenditures for facilities and programs	8	11	5,000		
f Administrative expenses					
g End of year balance	1,408,000	1,408,000	1,408,000		

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 100 000 %
- c Term endowment ▶

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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		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		929,000		929,000
b Buildings		41,426,000	30,303,000	11,123,000
c Leasehold improvements		2,921,000	2,484,000	437,000
d Equipment		90,244,000	71,150,000	19,094,000
e Other		4,181,000		4,181,000
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				35,764,000

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
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

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

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

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

(a) Description	(b) Book value
(1) PHSP Investment - cost	3,466,000
(2) Other Assets	996,000
(3) Investments Held by Captive Insurance Co	19,521,000
(4) Health First Investment	6,619,000
(5) Funds held in trust - Residents	111,000
(6) Due from third-party payers	2,604,000
(7) Assets whose use is limited	11,113,000
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	44,430,000

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Professional & Self Insured Liabilities	46,128,000
Other Liabilities	9,148,000
Funds Held in Trust for Patients	111,000
Due to Third Party Payors	21,059,000
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	76,446,000

2. Fin 48 (ASC 740) 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 (ASC740)

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Part XI, Line 8	Part XI, Line 8 Other Changes in Net Assets or Fund Balances	Resolution of Preconfirmation Contingencies $268000 Net Reduction in Temporarily Restricted $ -58000 Change in pension liability $ -132000
Part V, Line 4	Part V, Line 4 Intended uses of the endowment fund	Excess funds are to be used to further support the mission of the organization

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Episcopal Health Services Inc

Employer identification number
11-1665825

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** 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 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States

3 Activites per Region (Use Part V if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
Central Amer/Caribbean	0	0	Investments	Captive Insur Co	19,521,000
3a Sub-total					19,521,000
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)					19,521,000

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☑
Use Part V if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____

3 Enter total number of other organizations or entities . . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Part V if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*	☑ Yes	☐ No
2	Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*	☐ Yes	☑ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*	☑ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*	☐ Yes	☑ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*	☐ Yes	☑ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*	☐ Yes	☑ No

Part V Supplemental Information

Complete this part to provide the information (see instructions) required in Part I, line 2, and any additional information.

Identifier	ReturnReference	Explanation
Additional Supplemental Information		Part I, line 3, column F (accounting method) - The hospital is a partial owner of captive foreign insurance companies The hospital's investments in the foreign insurance companies are reported at fair market value or cost

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Episcopal Health Services Inc

Employer identification number
11-1665825

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? 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 financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☑ Other **300.000000000 %**	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other ____ %	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did 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 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance 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 Financial Assistance at cost (from Worksheets 1 and 2)			3,280,872	1,271,000	2,009,872	1 060 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			64,108,038	58,922,178	5,185,860	2 740 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			67,388,910	60,193,178	7,195,732	3 800 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			29,346		29,346	0 020 %
f Health professions education (from Worksheet 5)			19,251,800	16,128,478	3,123,322	1 650 %
g Subsidized health services (from Worksheet 6)			18,841,060	6,097,602	12,743,458	6 720 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits			38,122,206	22,226,080	15,896,126	8 390 %
k **Total.** Add lines 7d and 7j			105,511,116	82,419,258	23,091,858	12 190 %

Part II Community Building Activities during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(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			82,609		82,609	0 040 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**			82,609		82,609	0 040 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense (at cost)	2	1,446,805		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	723,402		
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 a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	88,804,508
6	Enter Medicare allowable costs of care relating to payments on line 5	6	133,734,984
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-44,930,476
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
0	St Johns Episcopal Hospital 327 Beach 19th Street Far Rockaway, NY 11691	X	X		X			X		

Part V **Facility Information** *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? **1**

	Name and address	Type of Facility (Describe)
1	Bishop Waldo Maclean Nursing Home 1711 Brookhaven Avenue Far Rockaway, NY 11691	Skilled Nursing Facility
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

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 financial assistance policy

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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)

6 **Affiliated health care system.** 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

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
	Part V - Explanation of Number of Facility Type	Mental Health Clinic - Adult Home - 4Community Mental Health Center - 1Outpatient Mental Health Clinic - 1
	Part VI - States Where Community Benefit Report Filed	NY
	Part VI - Affilated Health Care System Roles and Promotion	Not applicable
	Part VI - Explanation Of How Organization Furthers Its Exempt Purpose	St John's Episcopal Hospital plays an important role in the local community as a provider of needed medical services St John's is the only hospital in the local area that provides maternity, nursery, neo-natal, inpatient chemical dependency, inpatient psychiatric services, outpatient hemodialysis, outpatient mental health and other specialty clinical services St John's is also the largest non-governmental employer in the local community In addition to providing high quality medical services to the local community, St John's is an active member of the local community In addition to the various health fairs and screenings provided throughout the local community, St John's provides educational sessions and events to local residents related to some of the following topics - Healthy Hearts for Kids- Rockaway Walks- Diabetes Education Support Group- Prepared Childbirth- High school mentoring program- Summer internship programsMany of the various programs and initiatives that St John's Hospital has identified to demonstrate our commitment to further its exempt purpose and promote the health care of the local community have been highlighted previously in Part VI of this form Additional items to be discussed in this section are - Community Advisory Board- Medical Staff- Surplus funds- Ready RockawaySt John's Hospital has an active Community Advisory Board comprised of local residents and business people who meet with Hospital leadership and the Board of Managers quarterly to discuss the overall demographics and health of the community Recent discussions and actions include a survey of the Hispanic community (teens and older males), obesity among school age children, local grants, etc St John's extends medical staff privileges to all qualified physicians in its community for the various services provided by the hospital The hospital's medical staff is a large diversified group of highly trained professionals numbering approximately 350 members No surplus funds of St John's Episcopal Hospital inure to the benefit of any private individual nor is any private interest being served All surplus funds are reinvested into the facility, equipment, or programs of the hospital to improve the quality of patient care, expand our facilities, and advance our medical training and education St John's Episcopal Hospital's overall responsiveness to the needs of our community is evidenced by our willingness to participate in a range of communities, coalitions, panels, advisory groups, commissions and boards In addition to the various items previously mentioned above, St John's is an active member of "Ready Rockaway " Ready Rockaway is a coalition of local health care and other community based organizations that recognized the need for planning for emergencies since Rockaway is a peninsula surrounded by water and attached to the rest of New York via numerous bridges St John's is an active member of Ready Rockaway In addition, St John's also has internal emergency and disaster drills throughout the year to ensure the hospital is prepared to meet the needs of its local community and the surrounding areas
	Part VI - Community Building Activities	Health care and overall health status is lacking in the community, with 24% of the residents reporting they are in fair or poor health In addition, one of every four resident does not have health insurance Morbidity and mortality levels are high with an estimated 970 deaths per 100,000 residents The primary cause of premature death was heart disease, accounting for 29% of the total According to the NYC Department of Health Report Community Health Profile Take Care Rockaways, the residents of the Rockaways have the following adverse medical conditions compared with residents of Queens and New York City heart disease, high cholesterol and blood pressure, smoking, obesity, and diabetes St John's Hospital selected Inactivity and Chronic Disease & Physical Activity/Nutrition as high prevention agenda priorities Inactivity, another modifiable risk factor, is high in the Rockaways, with 44% stating they do no physical activity Only 20% of residents meet the amount of activity recommended by the Center for Disease Control and Prevention Increased levels of obesity and associated diseases commonly occur in areas of poverty, with a direct relationship between high rates of obesity among those of the highest poverty rates Although obesity rates have risen in the United States, it has been shown that the highest levels are found in communities with limited resources, high rates of minorities, and lower education levels, all factors found in Far Rockaway Chronic Disease and Physical Activity/NutritionWith input from members of local community-based organizations, churches and synagogues, and its local community health partners, St John's assessed that of the Prevention Agenda toward the Healthiest State set by the New York State Department of Health, Chronic Disease and Physical Activity/Nutrition most met the needs of the Rockaway community The statistical data supports the need to address heart disease as a longtime healthcare concern in the Rockaways, as well as its preventable risk factor of obesity and inactivity Indicators included the high death rate caused by heart disease, high rates of hospitalization due to heart disease, the high rate of cholesterol among residents, and prevalence of diabetes For Physical Activity/Nutrition, indicators included high rates of obesity among children and adults who had less physical activity Additional criteria for selecting these two Agenda items included the need raised by community organizations in the past, close local partners interested in these Agenda items, and health care professionals and services available to lead and support the plan and initiatives taken In addition to the above-noted priority prevention agenda items, St John's has identified diabetes education and prepared childbirth education as other public health programs supported by the Hospital During 2010, St John's Hospital conducted approximately 40 screenings for high blood pressure, cholesterol and diabetes, as well as talks on chronic diseases at various community street fairs, senior centers, churches, and NYC Housing Authority developments Other hospital and community supported programs included Healthy Hearts for Kids and Rockaway Walks Healthy Hearts for Kids is an education and support group for children at risk for unhealthy lifestyles and their caregivers Led by pediatricians and a nutritionist, monthly meetings offer topical discussions on healthy eating, recipes, food demonstrations, and physical activity Rockaway Walks is a collaboration among local Rockaway health activists, NYC Councilman James Sanders Jr , Addabbo Health Center, St John's Hospital and others The program includes weekly walks led by a fitness trainer The program is supported by the local newspaper where columns on health and nutrition appear that support the program
	Part VI - Community Information	St John's Episcopal Hospital is located in Far Rockaway, Queens County, New York City The Rockaway Peninsula is a narrow band of land adjoined to both Queens and Nassau Counties Approximately 114,000 residents inhabit the relatively isolated peninsula St John's defines its primary service area as the Far Rockaway area, where the majority of its patients reside Secondary patients reside in the Rockaway neighborhoods of Arverne, Rockaway Beach, and Belle harbor, as well as the Nassau County town of Inwood Despite a recent spurt of new housing construction in the early 2000s, the population growth still lags behind the overall rate of growth in the United States overall The average household income is 12 3% lower than the United States overall There are approximately 14,800 households with related children of which 54% are non-married heads of households with children The primary and secondary service areas tend to be both younger and older than the average population patterns Approximately 29% of the local residents do not have a high school degree The unemployment rate in the Rockaways is startlingly high compared to the rest of the United States In addition, the percent of residents living below the poverty line of 22% is higher than the overall Queens rate of 15% St John's primary and secondary service areas have a higher proportion of black non-Hispanic and Hispanic residents than the Queens and New York City averages
	Part VI - Patient Education of Eligibility for Assistance	St John's Hospital is committed to providing access to quality health care services with compassion, dignity and respect for all patients, particularly the poor and the underserved in our community Accordingly, St John's Hospital has implemented a Charity Care and Financial Assistance Process to facilitate - Providing patient care regardless of ability to pay for services- Assisting patients who cannot pay for part or all of the care they receive- Financial counselors will confidentially review the situation to see if patients quality for some form of government or other financial assistance - Balancing needed financial assistance for some patients with the broader fiscal responsibilities in order to sustain viability and provide the quality and quantity of services residents in the community need - Installment plans to allow patients to pay on an installment basis without the imposition of interest charges
	Part VI - Needs Assessment	Episcopal Health Services Inc operates St John's Episcopal Hospital (St John's) and Bishop Charles Waldo MacLean Episcopal Nursing Home (Bishop MacLean) St John's and Bishop MacLean are licensed to operate in New York State by the New York State Department of Health New York State law currently requires all hospitals to perform a community needs assessment every three years As outlined below, the objectives and operational details of this Community Service Plan (CSP) align closely with the recent additional schedule H disclosure requirements for tax-exempt hospitals New York's relevant statute, Section 2803-1 of the Public Health Law, requires voluntary non-profit hospitals to submit a comprehensive Community Service Plan to the State Department of Health (DOH) every three years that includes a solicitation of the views of the communities served by the hospital on service priorities and that demonstrates the hospital's operational and financial commitment to meeting community health needs, providing charity care services, and improving access by the underserved, among other elements The law further requires New York hospitals to prepare an annual implementation report regarding the hospital's performance in meeting the health care needs of the community, providing charity care services, and improving access to health care services by the underserved In submitting their CSPs, hospitals are required to take steps that include - Reaffirming organizational mission statements,- Defining the service area used for community and local health planning and describing the methods used to determine such service area,- Identifying all participants involved in assessing community health needs and describing and summarizing the hospital's public input sessions,- Discussing the identified public health priorities, including the criteria used to select priorities and the status of priorities,- Establishing an evolving plan of action, and- Disseminating a written summary of the CSP to the public through various channels The statutory CSP requirements were recently enhanced by DOH's Prevention Agenda initiative, a process that asks hospitals to work with local public health departments and community partners to assess community health needs, jointly develop plans to address two or three of the identified needs, and include this collaborative work in the hospital's CSP update submitted to DOH In September 2009, St John's submitted a three-year Community Service Plan to the NYS Department of Health In September 2010, St John's submitted a One Year Community Service Plan Update - 2010 St John's Episcopal Hospital identifies community health needs by participating in community coalitions, partnerships, boards, committees, commissions, advisory groups and panels St John's community health partners include, but are not limited to - Community Advisory Board- St Mary's Star of the Sea Roman Catholic Church- NYC Councilman James Sanders Jr , Addabbo Health Center- Jewish Community Council of Far Rockaway- Ready Rockaway- Queens Mental Health Council- Queens Child/Adolescent & Crisis Committee- Rockaway Children's NetworkThe criteria used to select public health priorities included a demographic overview of the service area to assess how population growth, income, education level, and race may affect the health of the community and impact its particular health profile and needs
	Part III, Line 9b - Provisions On Collection Practices For Qualified Patients	St John's Episcopal Hospital's collection policy follows the guidelines established by New York State law The Hospital's collection policy, in conjunction with the Hospital's Charity Care and Financial Assistance Policy, ensures that every effort is made to identify patients who are eligible for charity care Additional information on St John's Charity Care and Financial Assistance Policy is summarized in Section Part V-3 of this form Included below is a summary of the New York State Billing and Collection Requirements followed by St John's Hospital - Prohibit the forced sale of or foreclosure on the patient's primary residence - Prohibit sending an account to collection if the patient has submitted a completed application for financial assistance, including any required documentation, while the application is pending- Provide written notification to a patient at least 30 days before an account is sent to collection Written notice can be included on a bill - Require the collection agency to have the hospital's written consent prior to starting a legal action for collection - Require all general hospital staff that interacts with patients or have responsibility for billing and collection to be trained in the hospital's policies - Have a way or measuring the hospital's compliance with its policies - Require any collection agency under contract with the hospital to follow the hospital's financial assistance policy and provide information to patients on how to apply, where appropriate - Prohibit collection activity if the patient is determined eligible for Medicaid for the services that were rendered and the hospital is able to collect Medicaid payment
	Part III, Line 4 - Bad Debt Expense	IN ACCORDANCE WITH CURRENT ACCOUNTING GUIDELINES, ST JOHN'S REPORTS BAD DEBT EXPENSE ON THE STATEMENT OF ACTIVITIES AS A SEPARATE LINE ITEM AND EXCLUDES ITEMS DIRECTLY IDENTIFIED AS CHARITY CARE BAD DEBT EXPENSE IS BASED UPON A RESERVE METHODOLOGY TO EVALUATE THE COLLECTABILITY OF NET PATIENT ACCOUNTS RECEIVABLE, THAT IS THE AMOUNT EXPECTED TO BE COLLECTED FROM THE PAYOR, NOT BILLED CHARGES THE FOLLOWING PARAGRAPH IS FROM FOOTNOTE #2 OF THE 2010 AUDITED FINANCIAL STATEMENTS - SIGNIFICANT ACCOUNTING POLICIES - ACCOUNTS RECEIVABLE AND NET PATIENT SERVICE REVENUE "ACCOUNTS RECEIVABLE RESULT FROM THE HEALTH CARE SERVICES PROVIDED BY THE CORPORATION ADDITIONS TO THE ALLOWANCE FOR DOUBTFUL ACCOUNTS RESULT FROM THE PROVISION FOR BAD DEBTS ACCOUNTS WRITTEN OFF AS UNCOLLECTIBLE ARE DEDUCTED FROM THE ALLOWANCE FOR DOUBTFUL ACCOUNTS THE AMOUNT OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS, BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN MEDICARE AND MEDICAID HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS "THE ORGANIZATION'S BAD DEBT EXPENSE (AT COST) REPORTED ON PART III, LINE 2 WAS DERIVED FROM WORKSHEET A INCLUDED IN THE 2010 INSTRUCTIONS FROM SCHEDULE H (FORM 990) WITH THE DOWNTURN IN THE ECONOMY, EVEN PATIENTS WITH INSURANCE HAVE SEEN INCREASES IN THEIR DEDUCTIBLES AND CO INSURANCE ST JOHN'S HAS EXPERIENCED INCREASED DIFFICULTIES IN COLLECTING THESE HIGHER AMOUNTS FROM THE WORKING POOR ST JOHN'S BELIEVES THE FORMULA USED IN WORKSHEET A INAPPROPRIATELY DISTORTS BAD DEBT EXPENSE AT COST AS IT APPLIES A RATIO OF COST TO CHARGES ON AN AMOUNT THAT HAS ALREADY BEEN REDUCED FROM CHARGES TO AN EXPECTED PAYMENT AMOUNT ST JOHN'S HOSPITAL ESTIMATES THAT APPROXIMATELY 50% OF THE BAD DEBT EXPENSE (AT COST) REPORTED ON LINE #2 CAN BE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY THE ESTIMATE IS BASED UPON THE FACT THAT ST JOHN'S SERVES A SIGNIFICANT PATIENT POPULATION THAT FALLS BELOW THE POVERTY LEVEL AND HAS A HIGH PERCENTAGE OF RESIDENTS WITHOUT A HIGH SCHOOL DEGREE (APPROXIMATELY 29%) ST JOHN'S HAS A PROACTIVE FINANCIAL ASSISTANCE PROGRAM WHEREBY MANY PATIENTS REQUEST APPLICATIONS BUT FAR FEWER ACTUALLY RETURN THE COMPLETED APPLICATION
	Part I, Line 7g - Costs Associated With Physicans Clinics	St John's Episcopal Hospital provides the following services to the community that result in a net loss to the Hospital Maternity Services - $255,070, Nursery - 24,029, Hemodialysis - $3,782,404, Clinic - $2,284,070, Emergency Services - $6,273,485, and Outpatient Mental Health Service - $124,401 These services are either not offered by other health care providers, in the local community, or there is a shortage of these needed services in the community
	Part I, Line 7 - Explanation of Costing Methodology	Ratio of cost to charges derived from Worksheet 2 of the Schedule H instructions St John's Episcopal Hospital costing methodology was based upon the 2010 New York State Institutional Cost Report and the 2010 Medicare (Form 2552) Cost Report These cost reports are filed with the New York State Department of Health and the applicable CMS intermediary, respectively The cost-to-charge ratio derived from Worksheet 2, Ratio of Patient Care Cost-to-Charge, was used for the various sub-line items of line #7

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Episcopal Health Services Inc

Employer identification number
11-1665825

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Sheldon Markowitz	(i) (ii)	255,149		1,980	7,000	22,966	287,095	
(2) Robert Blake	(i) (ii)	160,755 87,847		120	6,564	8,470	175,909 87,847	
(3) Raymond Pastore MD	(i) (ii)	273,182		6,180	7,000	430	286,792	
(4) Rajiv Prasad	(i) (ii)	247,529		300	7,000	513	255,342	
(5) Manmohan Mahadkar	(i) (ii)	240,149		1,290	7,000	22,966	271,405	
(6) Lokesh Reddy MD	(i) (ii)	268,129		300	7,000	14,926	290,355	
(7) Gilbert Makabali MD	(i) (ii)	259,675		3,810	7,000	22,966	293,451	
(8) Eric Nazzoli MD	(i) (ii)	341,035		300	7,000	22,966	371,301	
(9) Cherian T Palathra	(i) (ii)	126,413		1,789	5,372	19,616	153,190	
(10) Alan Steinberg MD	(i) (ii)	272,972		1,290	7,000	22,966	304,228	
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

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

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Episcopal Health Services Inc

Employer identification number
11-1665825

Identifier	Return Reference	Explanation
	SCHEDULE H PART V, SECTIONS A & B	PURSUANT TO IRS ANNOUNCEMENT 2011-37 DATED JUNE 9, 2011, SCHEDULE H PART V SECTION B WAS MADE OPTIONAL FOR 2010 ACCORDINGLY EPISCOPAL HEALTH SERVICES INC HAS ELECTED NOT TO COMPLETE THIS SECTION HOWEVER, DUE TO LACERTE SOFTWARE DESIGN LIMITATIONS THE PROGRAM ERRONEOUSLY COMPLETED SECTION B AND COULD NOT BE OVERRIDDEN ACCORDINGLY SECTION B SHOULD BE DISREGARDED AS EPISCOPAL HEALTH SERVICES INC HAS ELECTED NOT TO COMPLETE THIS SECTION

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 19	Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	Upon request, the organization will make available those documents required to be disclosed under the public inspection laws

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 15b	Form 990, Part VI, Line 15b Compensation Review and Approval Process for Officers and Key Employees	The compensation of key employees is determined and/or approved after comparison to current compensation rates paid for comparable positions in the organization's region

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 12c	Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts	The Board reviews all annual conflict of interest questionnaires Positive responses are reviewed and additional information is gathered to determine if a conflict exists If a conflict exists, appropriate action is taken to eliminate the conflict, including such steps as reassignment of responsibilities or establishment of protective agreements If a matter involves a board member or officer, appropriate action, including recusal and additional disclosures, will be determined by the Board

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 11	Form 990, Part VI, Line 11 Form 990 Review Process	The Director of Finance and Chief Financial Officer reviewed the Form 990 and required schedules with the Board appointed Audit Committee in a specially scheduled Committee meeting on November 8, 2011 Parts VI (Governance, Management and Disclosure) and VII (Officers and Directors compensation), as well as Schedules H (Community Benefit) and J (Compensation) were specifically reviewed due to their disclosure of board members' identities and mission-related services provided to the local community Any questions regarding the filing and/or Form 990 content were addressed at the meeting The final Form 990 was provided to the entire board of managers prior to filing

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 8	Form 990, Part VI, Line 8 Explanation of No Contemporaneously Documentation of Meetings	8b)There are no separate committees with authority to act on behalf of the governing body

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 3	Form 990, Part VI, Line 3 Description of Delegated Duties to Management Company	Episcopal Health Services Inc engaged the services of Kurron Shares of America, Inc (Kurron), an unrelated company, to provide day-to-day management consulting services until mid-November 2010 Pitts Management Associates Inc (PMA), an unrelated company, replaced Kurron and currently provides day-to-day management consulting services Remuneration paid to Kurron and PMA during 2010 are reported in Part VII, section B - Independent Contractors The applicable names and titles of Kurron and PMA personnel are disclosed on Part VII - section A - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Episcopal Health Services Inc

Employer identification number
11-1665825

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) ST JOHNS MEDICAL SERVICES PC 700 HICKSVILLE RD - SUITE 210 BETHPAGE, NY 11714 54-2164621	Physician Services	NY	501(c)(3)	11A	N/A	Yes	
(2) ST JOHNS EMERGENCY MEDICAL SERVICES PC 700 HICKSVILLE RD - SUITE 210 BETHPAGE, NY 11714 26-2884115	Physician Emergency Room Services	NY	501(c)(3)	11A	N/A	Yes	
(3) CHURCH CHARITY CORPORATION AND SUBS 700 HICKSVILLE ROAD - SUITE 210 BETHPAGE, NY 11714 11-2797706	Plan, develop and coordinate charitable activities	NY	501(c)(3)		N/A	Yes	
(4) BISHOP HENRY B HUCLES NURSING HOME INC 700 HICKSVILLE RD - SUITE 210 BETHPAGE, NY 11714 11-3277961	Nursing & Rehabilitation	NY	501(c)(3)	9	N/A	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) ST JOHNS MEDICAL SERVICES PC	p	1,897,479	
(2) ST JOHNS EMERGENCY MEDICAL SERVICES PC	p	108,659	
(3) BISHOP HENRY B HUCLES NURSING HOME INC	p	656,913	
(4) BISHOP HENRY B HUCLES NURSING HOME INC	m	368,158	
(5)			
(6)			

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

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

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

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation

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TY 2010 Category 3 filer statement

Name: Episcopal Health Services Inc
EIN: 11-1665825
Software ID: 10000105
Software Version: 2010v3.2

Amount Of Indebtedness	Type Of Indebtedness	Name	Address	Identifying Number	Number Of Shares
	N/A	Episcopal Health Service	700 Hicksville Road Suite 210 Bethpage, NY 11714	11-1665825	

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TY 2010 Category 3 filer statement

Name: Episcopal Health Services Inc
EIN: 11-1665825
Software ID: 10000105
Software Version: 2010v3.2

Amount Of Indebtedness	Type Of Indebtedness	Name	Address	Identifying Number	Number Of Shares
	N/A	Episcopal Health Services	700 Hicksville Road Suite 210 Bethpage, NY 11714	11-1665825	

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TY 2010 Earnings and Profits Other Adjustments Statement

Name: Episcopal Health Services Inc
EIN: 11-1665825
Software ID: 10000105
Software Version: 2010v3.2

Description	Amount
Earnings from Segregated Cells	445,103

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TY 2010 Earnings and Profits Other Adjustments Statement

Name: Episcopal Health Services Inc
EIN: 11-1665825
Software ID: 10000105
Software Version: 2010v3.2

Description	Amount
Unbilled Premium Assessments	4,402,000
Premium Written and Earned	-154,000
Losses	-3,283,000
Flow through Earnings and Profit of Sub	638,000
Change in unrealized gains on investment	-512,000

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TY 2010 Earnings and Profits Other Adjustments Statement

Name: Episcopal Health Services Inc
EIN: 11-1665825
Software ID: 10000105
Software Version: 2010v3.2

Description	Amount
Provisions for irrecoverable reinsurance	-2,141,000
Premium Written and Earned	-462,000
Losses	-1,469,000
Change in unrealized gains on investment	-3,159,000