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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

PARKVIEW HOSPITAL, INC. WILL PROVIDE QUALITY HEALTH SERVICES TO ALL WHO ENTRUST THEIR CARE TO US AND WE WILL WORK TO IMPROVE THE HEALTH OF OUR COMMUNITIES

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 \$)	318,911,864	including grants of \$	1,472,467)	(Revenue \$	522,280,983)
	<p>PARKVIEW HOSPITAL, INC IS A 616 BED REGIONAL TERTIARY REFERRAL CENTER LOCATED IN FORT WAYNE, INDIANA IT IS THE LARGEST HEALTHCARE EMPLOYER IN THE REGION AND IS HOME TO NORTHEAST INDIANA'S FIRST VERIFIED LEVEL II ADULT AND PEDIATRIC TRAUMA CENTER ADDITIONAL SERVICES INCLUDE THE SAMARITAN FLIGHT PROGRAM, PARKVIEW HEART INSTITUTE, A CERTIFIED STROKE CENTER, WOMEN'S & CHILDREN'S HOSPITAL, OUTPATIENT SERVICES CENTER AND COMPREHENSIVE CANCER CENTER AS A NOT-FOR-PROFIT HOSPITAL, WE TAKE OUR MISSION TO HEART PARKVIEW HOSPITAL, INC EXISTS FOR ONE PURPOSE - TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE PARKVIEW HOSPITAL, INC GIVES BACK TO THE COMMUNITY IN THE FORM OF IMPROVED FACILITIES, EDUCATION AND OUTREACH PROGRAMS, FREE AND DISCOUNTED CARE, VOLUNTEERISM AND MUCH MORE CURRENTLY UNDER CONSTRUCTION AND SLATED TO OPEN IN MARCH 2012, THE PARKVIEW REGIONAL MEDICAL CENTER REPRESENTS AN INVESTMENT OF \$536 MILLION IN THE REGION THAT WE SERVE THROUGH THE PARKVIEW HOSPITAL, INC COMMUNITY BENEFIT FUND, THE HOSPITAL WORKS WITH COMMUNITY PARTNERS IN TAKING A PROACTIVE APPROACH TO IMPROVING SPECIFIC HEALTH-RELATED OUTCOMES AREAS OF FOCUS INCLUDE PROVIDING INCREASED ACCESS TO HEALTH CARE, HEALTH SCREENINGS AND PREVENTION PROGRAMS, DISEASE MANAGEMENT, HEALTH INNOVATION PLUS RESEARCH AND DEVELOPMENT IN CONJUNCTION WITH PARKVIEW HEALTH SYSTEM INC , PARKVIEW HOSPITAL, INC PARTICIPATED IN A COMMUNITY HEALTH ASSESSMENT IN LATE 2007 INITIATIVES AT PARKVIEW HOSPITAL, INC , DERIVED FROM THE COMMUNITY HEALTH ASSESSMENT, WERE PNEUMONIA VACCINATIONS AND COLORECTAL AND MAMMOGRAPHY SCREENINGS CHILDREN'S HEALTH HAS ALSO BEEN A HEALTH PRIORITY TO BETTER UNDERSTAND SPECIFIC HEALTH NEEDS OF ALLEN COUNTY LOW INCOME FAMILIES, A LOW INCOME HEALTH ASSESSMENT WAS CONDUCTED IN 2006 IN COLLABORATION WITH OTHER COMMUNITY ORGANIZATIONS THAT SHARE THE COMMON GOAL OF IMPROVING THE HEALTH OF THE UNDERSERVED PARKVIEW HOSPITAL, INC IS CURRENTLY PREPARING TO CONDUCT A COMMUNITY HEALTH ASSESSMENT AND DEVELOP A COMMUNITY HEALTH IMPROVEMENT PLAN THE FOLLOWING ARE SOME OF THE WAYS PARKVIEW HOSPITAL, INC IS REACHING OUT TO MAKE OUR NEIGHBORHOODS AND COMMUNITIES HEALTHIER - CHARITY CARE -COMMUNITY HEALTH IMPROVEMENT INITIATIVES AND PARTNERS THAT FOCUS ON ACCESS TO HEALTH CARE HEALTH SCREENING AND PREVENTION DISEASE MANAGEMENT HEALTH INNOVATION, RESEARCH AND DEVELOPMENT -HEALTH CAREERS AND CONTINUING EDUCATION -COMFORT AND SUPPORT -INTERNATIONAL MEDICAL MISSION WORKCHARITY CARE PARKVIEW HOSPITAL'S MISSION INCLUDES CARING FOR PATIENTS WHO DO NOT HAVE THE MEANS TO MEET THEIR FINANCIAL OBLIGATIONS THE HOSPITAL PLACES ITS PRIORITY ON PROVIDING THE NECESSARY CARE, NOT ON THE PATIENT'S FINANCIAL ABILITY TO PAY FOR THEIR MEDICAL EXPENSES COMMUNITY HEALTH IMPROVEMENT INITIATIVES THE PURPOSE OF PARKVIEW HOSPITAL, INC 'S COMMUNITY HEALTH IMPROVEMENT PROGRAM IS TO FUND COMMUNITY HEALTH IMPROVEMENT EFFORTS WITHIN THE SERVICE AREA OF PARKVIEW HOSPITAL, INC THE HOSPITAL ANNUALLY FUNDS COMMUNITY HEALTH INITIATIVES AND PARTNERS WITH COMMUNITY ORGANIZATIONS TO ENCOURAGE HEALTHIER LIFESTYLES AMONG THE CITIZENS OF NORTHEAST INDIANA SEVERAL INITIATIVES AND PROGRAMS ARE HIGHLIGHTED BELOW COMMUNITY NURSING INITIATIVE BELIEVING THAT THE KNOWLEDGE AND SKILL OF DEDICATED NURSES HAS GREAT BENEFIT OUTSIDE THE HOSPITAL WALLS, PARKVIEW HOSPITAL, INC HAS, SINCE 1998, FUNDED A PROGRAM THAT PLACES PARKVIEW NURSES IN STRATEGIC POSITIONS THROUGHOUT THE COMMUNITY FUNDING SUPPORTS NURSES IN PUBLIC SCHOOLS DEMONSTRATING THE GREATEST HEALTH NEEDS PARKVIEW NURSES ALSO PROVIDE HEALTHCARE MANAGEMENT EXPERTISE AT CANI HEADSTART AND MARTIN LUTHER KING MONTESSORI PRESCHOOLS, SCAN, INC (STOP CHILD ABUSE AND NEGLECT), AND THE FORT WAYNE WOMEN'S BUREAU TRANSITIONS PROGRAM FOR WOMEN RECOVERING FROM DRUG ABUSE IN ADDITION, PARKVIEW HOSPITAL, INC PROVIDES TWO DIABETES SPECIALTY NURSES, AN ASTHMA SPECIALTY NURSE, AND A RESPIRATORY THERAPIST TO IMPROVE THE HEALTH OF CHILDREN IN FORT WAYNE COMMUNITY SCHOOLS, EAST ALLEN COUNTY SCHOOLS, AND NORTHWEST ALLEN COUNTY SCHOOLS CHILDREN'S HEALTH THROUGH VARIOUS PROGRAMS PROVIDED BY THE COMMUNITY NURSING INITIATIVE, PARKVIEW HOSPITAL, INC DEMONSTRATES ITS COMMITMENT TO CHILDREN'S HEALTH ISSUES IN 2011, THE HOSPITAL HOSTED A LOCAL CHILDREN'S HEALTH SUMMIT BRINGING NUMEROUS COMMUNITY ORGANIZATIONS TOGETHER TO DISCUSS CHILDREN'S HEALTH AS A RESULT, THE HOSPITAL EMBARKED ON A PARTNERSHIP WITH BALL STATE UNIVERSITY THROUGH A STUDENT IMMERSIVE LEARNING PROJECT THE PROJECT WILL PRODUCE A THIRD AND FOURTH-GRADE HEALTH AND WELLNESS CURRICULUM WITH INPUT FROM LOCAL TEACHERS, COORDINATE PILOTS OF THE CURRICULUM IN LOCAL SCHOOLS, INCORPORATE THE LOCAL BASEBALL MASCOT AS A KEY LEARNING TOOL, AND DEVELOP SUPPORTING MATERIALS AND ACTIVITIES TO CREATE A TRUE LEARNING EXPERIENCE FRANCINE'S FRIENDS MOBILE MAMMOGRAPHY PROGRAM IN PARTNERSHIP WITH FRANCINE'S FRIENDS AND THE BREAST DIAGNOSTIC CENTER, PARKVIEW COMPREHENSIVE CANCER CENTER ADMINISTERS A MOBILE MAMMOGRAPHY PROGRAM IN ALLEN COUNTY AND THE SURROUNDING AREA THIS INITIATIVE BEGAN IN DECEMBER OF 2005 AND IS TARGETED TO INCREASE THE NUMBER OF MAMMOGRAMS GIVEN TO WOMEN AGE 40 AND OVER IN ADDITION, THE PROGRAM PROVIDES FINANCIAL ASSISTANCE TO THOSE WHO DO NOT HAVE THE MEANS TO PAY FOR A MAMMOGRAM THE 2007 COMMUNITY HEALTH ASSESSMENT REVEALED A 9% INCREASE IN SCREENINGS FOR ALLEN COUNTY COLORECTAL CANCER SCREENINGS PARKVIEW'S COMPREHENSIVE CANCER CENTER ORGANIZED A COMMUNITY TASK FORCE TO INCREASE AWARENESS OF COLORECTAL CANCER SCREENING THIS CAMPAIGN INCLUDED DISTRIBUTION OF TAKE-HOME BLOOD STOOL TEST KITS AT HOSPITAL, PHYSICIAN OFFICE AND HEALTH FAIR LOCATIONS IN ADDITION TO BROAD-BASED PREVENTION EDUCATION DURING THE THREE-YEAR PERIOD OF THIS INITIATIVE, SIGMOIDOSCOPY AND COLONOSCOPY SCREENINGS INCREASED 15 PERCENT FOR ADULTS AGE 50 AND OLDER IN ALLEN COUNTY PARKVIEW HOSPITAL, INC CONTINUES TO MAKE THE TEST KITS AVAILABLE TO THE COMMUNITY MEDICATION ASSISTANCE PROGRAM PARKVIEW HOSPITAL, INC 'S MEDICATION ASSISTANCE PROGRAM HELPS LOW-INCOME PATIENTS OBTAIN PRESCRIPTION MEDICATIONS AT DISCHARGE, AND AS A PART OF LONG-TERM PHARMACEUTICAL ASSISTANCE PROGRAMS TO MEET PATIENTS' HEALTH MAINTENANCE NEEDS RECENTLY, THE PROGRAM BEGAN A PILOT TO EXPAND ITS SCOPE AND SERVE PATIENTS REFERRED BY PHYSICIAN OFFICES TO RECEIVE ASSISTANCE WITH ENROLLING IN PHARMACEUTICAL ASSISTANCE PROGRAMS PRIMARY HEALTH CARE/ACCESS IN ADDITION TO PROVIDING CHARITY CARE, PARKVIEW HOSPITAL, INC REACHES OUT TO THE UNDERINSURED, UNINSURED, AND SPECIAL AT-RISK POPULATIONS BY PROVIDING FUNDING FOR LOCAL CLINICS AND SUPPORTING MEDICAL TRANSPORTATION PROGRAMS AS FOLLOWS MATTHEW 25 HEALTH & DENTAL CLINIC AND NEIGHBORHOOD HEALTH CLINIC PARKVIEW HOSPITAL, INC PROVIDES OPERATIONAL SUPPORT FOR MATTHEW 25 HEALTH AND DENTAL CLINIC AND PROVIDES FUNDING FOR LABORATORY SERVICES FOR THEIR PATIENTS THE HOSPITAL ALSO PROVIDES SUPPORT FOR SERVICES TO THE UNINSURED AND UNDERINSURED AT NEIGHBORHOOD HEALTH CLINIC, INCLUDING THE CLINIC'S DIABETES MANAGEMENT PROGRAM IN ADDITION, THE HOSPITAL PROVIDES FUNDING FOR MEDICATION ASSISTANCE PROGRAMS AT EACH OF THE FOREMENTIONED CLINICS PARKVIEW HOSPITAL, INC ALSO PROVIDES FUNDING FOR RADIOGRAPHIC IMAGING SERVICES FOR NEIGHBORHOOD HEALTH CLINIC PARKVIEW SUPER SHOT CLINIC IN ADDITION TO CASH DONATIONS FOR OPERATIONAL SUPPORT, PARKVIEW HOSPITAL, INC PROVIDES SPACE, UTILITIES, AND BUILDING MAINTENANCE FOR THE PARKVIEW SUPER SHOT CLINIC (CHILDREN'S IMMUNIZATION CLINIC) LOCATED AT PARKVIEW CHILDREN'S SPECIALTY CLINICS IN CAREW MEDICAL PARK PARKVIEW HOSPITAL, INC ALSO PROVIDES FUNDING FOR VACCINES AND NURSING SUPPORT FOR THE CLINIC WHEN NEEDED (PLEASE NOTE - RETURN TO PAGE 2, PART III, LINE 4B FOR CONTINUATION OF PROGRAM SERVICE ACCOMPLISHMENTS BEFORE READING INFORMATION BELOW)</p>					

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	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 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, line 10? 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	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, 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 Yes	

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V <input checked="" type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	175
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, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	3,910
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country: _____ 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	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization 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	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
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	
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	

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	18	
b	Enter the number of voting members included in line 1a, above, who are independent	1b	13	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	Yes	
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	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization’s mailing address? If “Yes,” provide the names and addresses in Schedule O	9		No

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If “Yes,” does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
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 If “Yes” to line 15a or 15b, describe the process in Schedule O (See instructions)	15b	Yes	
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	Yes	
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	Yes	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶IN
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another’s website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ MICHAEL P BROWNING 10501 CORPORATE DRIVE FORT WAYNE,IN 46845 (260) 373-8407

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

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

Form **990** (2010)

Part VII

(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			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								2,111,897	2,021,183	550,358

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 ▶98

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3 Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>	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)	(B)	(C)
Name and business address	Description of services	Compensation
PREFERRED ANESTHESIA CONSULTANTS PC 1818 CAREW STREET STE 220 FORT WAYNE, IN 46805	ANESTHESIOLOGISTS	4,751,732
INDIANA SURGICAL SPECIALISTS LLC 1818 CAREW STREET STE 160 FORT WAYNE, IN 46805	PHYSICIANS	2,190,939
ORTHOPAEDICS NORTHEAST PC 5050 N CLINTON STREET FORT WAYNE, IN 46825	PHYSICIANS	662,350
FORT WAYNE RADIOLOGY 3707 NEW VISION DRIVE FORT WAYNE, IN 46845	MEDICAL SERVICES	542,436
ALLIED HOSPITAL PATHOLOGISTS PC 2458 LAKE AVENUE FORT WAYNE, IN 46805	MEDICAL SERVICES	464,996
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 11		

Part VIII

Statement of Revenue

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	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	393,029				
	e	Government grants (contributions) 1e	257,185				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f					
	g	Noncash contributions included in lines 1a-1f \$	6,988				
	h	Total. Add lines 1a-1f	650,214				
	Program Service Revenue	2a	NET PATIENT SERVICE	622000	496,003,863	496,003,863	
b		LAB SERVICES	621500	16,337,664	16,337,664		
c		PHARMACY	446110	6,786,872	6,786,872		
d		PATHOLOGY TESTS	621500	383,365		383,365	
e		WOMEN'S HEALTH CENTER	812900	174,286	42,226	132,060	
f		All other program service revenue		41,537	41,537		
g		Total. Add lines 2a-2f	519,727,587				
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)		368,293		368,293
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6a	Gross Rents	(i) Real 3,546,186	(ii) Personal			
		b	Less rental expenses	1,801,202			
		c	Rental income or (loss)	1,744,984			
		d	Net rental income or (loss)	1,744,984		-15,501	1,760,485
	7a	Gross amount from sales of assets other than inventory	(i) Securities 30,768,632	(ii) Other 97,072			
		b	Less cost or other basis and sales expenses	30,404,310	13,927		
		c	Gain or (loss)	364,322	83,145		
		d	Net gain or (loss)	447,467			447,467
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a					
		b	Less direct expenses b				
		c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See Part IV, line 19 a					
		b	Less direct expenses b				
		c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances a	518,461				
		b	Less cost of goods sold b	479,491			
		c	Net income or (loss) from sales of inventory	38,970			38,970
Miscellaneous Revenue		Business Code					
11a	ORTHO BILLINGS	541900	3,314,055	2,104,666	1,209,389		
	b	CAFETERIA & MEALS	722210	2,118,454		2,118,454	
	c	ORTHO DEF REV/GN SALE	900099	1,060,508		1,060,508	
	d	All other revenue		1,260,580	964,155	174,120	122,305
	e	Total. Add lines 11a-11d	7,753,597				
12	Total revenue. See Instructions	530,731,112	522,280,983	1,883,433	5,916,482		

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	1,442,012	1,442,012		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	30,455	30,455		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	1,335,715		1,335,715	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	148,437,687	146,233,125	2,204,562	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits	46,394,865	45,542,000	852,865	
10	Payroll taxes				
a	Fees for services (non-employees) Management				
b	Legal				
c	Accounting				
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	45,201		45,201	
g	Other	67,689,994	63,745,944	3,944,050	
12	Advertising and promotion	146,454	121,937	24,517	
13	Office expenses	85,488,287	83,364,287	2,124,000	
14	Information technology				
15	Royalties				
16	Occupancy	9,134,925	8,532,372	602,553	
17	Travel	1,023,689	888,914	134,775	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	265,676	101,580	164,096	
20	Interest	299,023	299,023		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	21,178,814	21,132,924	45,890	
23	Insurance	1,333,632	30,463	1,303,169	
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	UBI TAXES & REFUNDS	72,800	72,800		
b	CORP SERVICE ALLOCATION	85,228,452		85,228,452	
c	BAD DEBT	32,031,086	32,031,086		
d	PH SUBSIDY	11,104,759	11,104,759		
e	RESIDENCY SUPPORT	3,388,676	3,388,676		
f	All other expenses	1,098,966	849,507	249,459	
25	Total functional expenses. Add lines 1 through 24f	517,171,168	418,911,864	98,259,304	0
26	Joint costs. Check here <input checked="" type="checkbox"/> 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)		(B)
						Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				13,390	1	12,900
	2	Savings and temporary cash investments				33,475	2	918,662
	3	Pledges and grants receivable, net					3	
	4	Accounts receivable, net				88,167,115	4	73,714,133
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L					5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), 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	
	7	Notes and loans receivable, net				895,849	7	724,240
	8	Inventories for sale or use				9,125,633	8	9,193,791
	9	Prepaid expenses and deferred charges				758,976	9	1,823,075
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	441,902,537	169,612,768	10c	167,025,355	
	b	Less: accumulated depreciation	10b	274,877,182				
	11	Investments—publicly traded securities				15,326,893	11	16,939,817
	12	Investments—other securities. See Part IV, line 11				3,488,152	12	5,478,968
	13	Investments—program-related. See Part IV, line 11					13	
	14	Intangible assets				1,101,984	14	1,543,174
	15	Other assets. See Part IV, line 11				81,651,773	15	79,568,560
	16	Total assets. Add lines 1 through 15 (must equal line 34)				370,176,008	16	356,942,675
Liabilities	17	Accounts payable and accrued expenses				24,153,966	17	22,963,653
	18	Grants payable					18	
	19	Deferred revenue				14,027,942	19	12,950,646
	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				5,307,448	23	3,852,825
	24	Unsecured notes and loans payable to unrelated third parties					24	
	25	Other liabilities. Complete Part X of Schedule D				5,812,446	25	4,908,412
	26	Total liabilities. Add lines 17 through 25				49,301,802	26	44,675,536
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.							
	27	Unrestricted net assets				320,874,206	27	312,267,139
	28	Temporarily restricted net assets				0	28	
	29	Permanently restricted net assets				0	29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.							
	30	Capital stock or trust principal, or current funds					30	
	31	Paid-in or capital surplus, or land, building or equipment fund					31	
	32	Retained earnings, endowment, accumulated income, or other funds					32	
	33	Total net assets or fund balances				320,874,206	33	312,267,139
	34	Total liabilities and net assets/fund balances				370,176,008	34	356,942,675

Part XI Reconciliation 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	530,731,112
2	Total expenses (must equal Part IX, column (A), line 25)	2	517,171,168
3	Revenue less expenses Subtract line 2 from line 1	3	13,559,944
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	320,874,206
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-22,167,011
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	312,267,139

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 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	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	Yes	

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
PARKVIEW HOSPITAL INC

Employer identification number
35-0868085

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?
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
(ii) a family member of a person described in (i) above?
(iii) a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

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

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

Additional Data

Software ID:

Software Version:

EIN: 35-0868085

Name: PARKVIEW HOSPITAL INC

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
SUZANNE EHINGER DIRECTOR/PVHOS COO/PH EVP	40 00	X		X				403,795	0	81,597
MICHAEL PACKNETT DIRECTOR/PH CEO	1 00	X		X				0	912,103	158,919
THOMAS BOND DIRECTOR/PH PHYSICIAN	1 00	X						43,102	218,022	38,903
LARRY BAGWELL DIRECTOR	1 00	X						1,750	1,500	0
THOMAS BEAVER DIRECTOR/CHAIR	1 00	X						6,500	3,000	0
STEVE CORONA DIRECTOR	1 00	X						4,000	250	0
MICHAEL GRABOWSKI DIRECTOR	1 00	X						75,000	0	0
DAVID HAIST DIRECTOR	1 00	X						4,750	3,500	0
HERB HERNANDEZ DIRECTOR	1 00	X						4,500	1,750	0
THOMAS KIMBROUGH DIRECTOR/VICE-CHAIR	1 00	X						4,500	250	0
DAVID KOHLI DIRECTOR	1 00	X						4,500	0	0
DAVID MICHEL DIRECTOR	1 00	X						3,750	0	0
SHERRI MILLER DIRECTOR	1 00	X						3,250	250	0
MARILYN MORAN-TOWNSEND DIRECTOR/SECRETARY	1 00	X						4,250	250	0
JEFFREY NICKEL DIRECTOR	1 00	X						25,000	0	0
WENDY ROBINSON DIRECTOR	1 00	X						4,000	0	0
CHRISTINE RUPP DIRECTOR/TREASURER	1 00	X						3,250	250	0
WIL SMITH DIRECTOR	1 00	X						4,500	4,500	0
MICHAEL BROWNING CURRENT PH SVP & CFO	1 00			X				0	80,871	5,343
JEFFREY FRANCIS PH SVP & CFO	1 00			X				0	206,802	15,269
STANTON RISSE INTERIM PH CFO	1 00			X				0	138,872	24,814
JUDITH BOERGER PVHOS SVP	40 00				X			300,699	0	37,295
DANIEL GARMAN PVHOS SVP	40 00				X			253,100	0	56,205
SUBHASH SHARMA PVHOS CHIEF PHYSICIST	40 00					X		247,577	0	35,272
CHARLES CLARK PVHOS SVP	40 00					X		200,176	0	42,194

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
TIMOTHY CMELIK PVHOS DIR PHARMACY	40 00					X		187,951	0	27,917
THOMAS GUTWEIN PVHOS MEDICAL DIR ECC	40 00					X		166,771	600	0
CHAD CARPENTER PVHOS COO PARKVIEW HEART INSTITUTE	40 00					X		155,226	0	26,630
CHARLES MASON PH PRESIDENT EMERITUS	0 00						X	0	448,413	0

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 PARKVIEW HOSPITAL INC	Employer identification number 35-0868085
---	--

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

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 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)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV	Yes		22,967
	j Total lines 1c through 1i			22,967
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	A PORTION OF THE DUES PAID TO INDIANA HOSPITAL AND HEALTH ASSOCIATION, AMERICAN HOSPITAL ASSOCIATION, INDIANA ASSOCIATION OF HOMES & SERVICES FOR THE AGING, INC AND AMERICAN ASSOCIATION OF HOMES & SERVICES FOR THE AGING, INC WERE USED FOR LOBBYING ACTIVITIES

SCHEDULE D
(Form 990)

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization PARKVIEW HOSPITAL INC	Employer identification number 35-0868085
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Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II

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

1	Purpose(s) of conservation easements held by the organization (check all that apply) <div><input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure) <input type="checkbox"/> Preservation of an historically importantly land area</div> <div><input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure</div> <div><input type="checkbox"/> Preservation of open space</div>											
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											
		<table><tr><td></td><td>Held at the End of the Year</td></tr><tr><td>a</td><td>Total number of conservation easements</td></tr><tr><td>b</td><td>Total acreage restricted by conservation easements</td></tr><tr><td>c</td><td>Number of conservation easements on a certified historic structure included in (a)</td></tr><tr><td>d</td><td>Number of conservation easements included in (c) acquired after 8/17/06</td></tr></table>		Held at the End of the Year	a	Total number of conservation easements	b	Total acreage restricted by conservation easements	c	Number of conservation easements on a certified historic structure included in (a)	d	Number of conservation easements included in (c) acquired after 8/17/06
	Held at the End of the Year											
a	Total number of conservation easements											
b	Total acreage restricted by conservation easements											
c	Number of conservation easements on a certified historic structure included in (a)											
d	Number of conservation easements included in (c) acquired after 8/17/06											
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____											
4	Number of states where property subject to conservation easement is located ▶ _____											
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>											
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)? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>											
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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		6,627,744		6,627,744
b Buildings		234,777,484	142,231,729	92,545,755
c Leasehold improvements		9,708,714	2,777,846	6,930,868
d Equipment		178,371,288	122,204,655	56,166,633
e Other		12,417,307	7,662,952	4,754,355
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				167,025,355

Schedule D (Form 990) 2010

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
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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
PARKVIEW HOSPITAL INC

Employer identification number
35-0868085

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	Yes	
1b	If "Yes," is it a written policy?	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 <input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> 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 <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ % b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ % c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care 4 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"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	Yes	
5c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		No
6a	Does the organization prepare a community benefit report during the tax year?	Yes	
6b	If "Yes," did the organization make it available to the public?	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)			17,057,335		17,057,335	3 520 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			57,110,739	20,295,167	36,815,572	7 590 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			3,207,671	2,899,213	308,458	0 060 %
d Total Financial Assistance and Means-Tested Government Programs			77,375,745	23,194,380	54,181,365	11 170 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,807,326	528,479	3,278,847	0 680 %
f Health professions education (from Worksheet 5)			5,010,580	1,473,144	3,537,436	0 730 %
g Subsidized health services (from Worksheet 6)			11,950,548	122,673	11,827,875	2 440 %
h Research (from Worksheet 7)			1,292,767	285,011	1,007,756	0 210 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			1,736,179	131,984	1,604,195	0 330 %
j Total Other Benefits			23,797,400	2,541,291	21,256,109	4 390 %
k Total. Add lines 7d and 7j			101,173,145	25,735,671	75,437,474	15 560 %

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		257,982		257,982	0.050 %
2	Economic development		27,560		27,560	0.010 %
3	Community support		1,137		1,137	0 %
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building		7,844		7,844	0 %
7	Community health improvement advocacy					
8	Workforce development		72,751		72,751	0.010 %
9	Other					
10	Total		367,274		367,274	0.070 %

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	9,896,074
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	0
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	97,453,765
6	Enter Medicare allowable costs of care relating to payments on line 5	6	110,868,446
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-13,414,681
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.		
<input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

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

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				

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 2

Name and address

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility:

NOT REQUIRED

Line Number of Hospital Facility (from Schedule H, Part V, Section A):

1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care ____%	9	

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care __%	10	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	
12	Explained the method for applying for financial assistance?	12	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply) a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)	16	
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance e <input type="checkbox"/> Other (describe in Part VI)		

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)		
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Charges for Medical Care

19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)		
a	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b	<input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A.)

Name of Hospital Facility: NOT REQUIRED

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 2

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)	1	
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	5	
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care ____%	9	

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If “Yes,” indicate the FPG family income limit for eligibility for discounted care __%	10	
11	Explained the basis for calculating amounts charged to patients? If “Yes,” indicate the factors used in determining such amounts (check all that apply) a <input type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	
12	Explained the method for applying for financial assistance?	12	
13	Included measures to publicize the policy within the community served by the hospital facility? If “Yes,” indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility’s web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility’s emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility’s admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If “Yes,” check all collection actions in which the hospital facility or a third party engaged (check all that apply) a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)	16	
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients’ bills d <input type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance e <input type="checkbox"/> Other (describe in Part VI)		

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)		
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Charges for Medical Care

19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)		
a	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b	<input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		

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? 20

Name and address		Type of Facility (Describe)
1	See Additional Data Table	
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Complete this part to provide the following information:

1 **Required descriptions.** Provide the descrip

- 1** **Eligibility for assistance.** 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.
- 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.

[illegible]

Additional Data

Software ID:

Software Version:

EIN: 35-0868085

Name: PARKVIEW HOSPITAL INC

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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? <u>20</u>	
Name and address	Type of Facility (Describe)
PARKVIEW BEHAVIORAL HEALTH 1720 BEACON STREET FORT WAYNE, IN 46805	IP & OP BEHAVIORAL
PARKVIEW RADIATION THERAPY & ONCOLOGY 11141 PARKVIEW PLAZA DR FORT WAYNE, IN 46845	ONCOLOGY CENTER
PARKVIEW HOME HEALTHCARE 1900 CAREW STREET SUITE 6 FORT WAYNE, IN 46805	HOME HEALTH & HOSPICE
OUPATIENT SERVICE CENTER OSC 11141 PARKVIEW PLAZA DR FORT WAYNE, IN 46845	OP AMBULATORY
PARKVIEW CMP AMBULATORY SITE 1818 CAREW ST FORT WAYNE, IN 46805	OP AMBULATORY
EYE SURGERY INSTITUTE 1818 CAREW ST SUITE 020 FORT WAYNE, IN 46805	AMBULATORY SURGERY CENTER
CAREW MRI 2110 CAREW STREET FORT WAYNE, IN 46825	OP AMBULATORY
PARKVIEW REHAB OP CLINIC 2622 LAKE AVE FORT WAYNE, IN 46805	OP REHAB SERVICES
PARKVIEW CHILDRENS REHAB CLINIC 1900 CAREW STREET SUITE 2 FORT WAYNE, IN 46805	OP REHAB SERVICES
SOUTHWEST SLEEP CENTER 1625 MAGNAVOX WAY SUITE A FORT WAYNE, IN 46804	OP SLEEP CENTER
PARKVIEW YMCA 10001 DAWSONS CREEK BLVD FORT WAYNE, IN 46845	OP REHAB SERVICES
PARKVIEW NEW HAVEN AMBULATORY SITE 1331 MINNICH RD NEW HAVEN, IN 46774	OP AMBULATORY
PARKVIEW CYTOGENETICS 11141 PARKVIEW PLAZA DR FORT WAYNE, IN 46845	REFERENCE LAB
PARKVIEW RESEARCH CENTER 2426 EAST STATE BLVD FORT WAYNE, IN 46825	CLINICAL RESEARCH
PARKVIEW WOODLAND PLAZA AMBULATORY SITE 1234 DUPONT RD FORT WAYNE, IN 46845	OP AMBULATORY
CHILDREN'S EDUCARE CENTER 2125 BEACON STREET FORT WAYNE, IN 46805	CHILDCARE CENTER
PARKVIEW HEALTH & FITNESS 3000 E STATE BLVD FORT WAYNE, IN 46805	HEALTH FITNESS
PARKVIEW SOUTHWEST AMBULATORY SITE 10515 ILLINOIS RD FORT WAYNE, IN 46814	OP AMBULATORY
WOMEN'S HEALTH CENTER 11123 PARKVIEW PLAZA DR FORT WAYNE, IN 46845	WOMEN'S HEALTH ISSUES
CMP - CHILDREN SPECIALTY CLINIC 1818 CAREW ST SUITE 120 FORT WAYNE, IN 46805	OP SPECIALTY CLINIC

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
PARKVIEW HOSPITAL INC

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Employer identification number

35-0868085

Part I General Information on Grants and Assistance

1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No

2

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

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed. ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2

Enter total number of section 501(c)(3) and government organizations

31

3

Enter total number of other organizations

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) FAMILY & CHILDREN ASSISTANCE	1127		30,455	FMV	GAMES/TOYS/BABY ITEMS/CARSEATS

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 COMMUNITY HEALTH IMPROVEMENT FUNDING PARTNER ORGANIZATIONS ARE REQUIRED TO SUBMIT AN ANNUAL PROGRESS REPORT RELATED TO PROGRAM FUNDING PARTNER ORGANIZATIONS ARE REQUIRED TO RE-APPLY FOR FUNDING ON AN ANNUAL BASIS

Software ID:

Software Version:

EIN: 35-0868085

Name: PARKVIEW HOSPITAL INC

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MATTHEW 25 HEALTH CLINIC413 E JEFFERSON BLVD FORT WAYNE,IN 46802	35-1484951	501 (C) 3	441,704				PROGRAMS AND OPERATIONS FUNDING
EARLY CHILDHOOD ALLIANCE INC3320 FAIRFIELD FORT WAYNE,IN 46807	35-0953465	501 (C) 3	203,065				OPERATIONS FUNDING
NEIGHBORHOOD HEALTH CLINICS INC1717 SOUTH CALHOUN STREET FORT WAYNE,IN 46802	35-1922483	501 (C) 3	140,000				OPERATIONS FUNDING
CANCER SERVICES OF NORTHEAST INDIANA6316 MUTUAL DRIVE FORT WAYNE,IN 46825	35-0965609	501 (C) 3	60,000				OPERATIONS FUNDING AND PATIENT ADVOCACY PROGRAMS
COMMUNITY TRANSPORTATION NETWORK2701 S COLISEUM BLVD 1315 FORT WAYNE,IN 46803	35-2109955	501 (C) 3	35,000				MEDICAL TRANSPORTATION
MIDWEST ALLIANCE FOR HEALTH EDUCATION1819 CAREW FORT WAYNE,IN 46805	35-1637515	501 (C) 3	35,000				RESEARCH PROJECTS AND INTERNSHIPS
TURNSTONE CENTER FOR DISABLED CHILDREN AND ADULTS3320 N CLINTON FORT WAYNE,IN 46805	35-0913541	501 (C) 3	30,000				FITNESS AND WELLNESS PROGRAMS
AIDS TASK FORCE525 OXFORD STREET FORT WAYNE,IN 46806	31-1191147	501 (C) 3	25,000				OPERATIONS AND PREVENTION EDUCATION PROGRAMS
IPFW2101 E COLISEUM BLVD FORT WAYNE,IN 46805	35-6002041	501 (C) 3	25,000				SPONSORSHIP - TAPESTRY
FRIENDS OF THE THIRD WORLD INC611 WEST WAYNE STREET FORT WAYNE,IN 46802	23-7183804	501 (C) 3	24,445				HUNGER AND POVERTY ALLEVIATION PROGRAMS
AFRICAN AMERICAN HEALTHCARE ALLIANCE OF FORT WAYNE INC815 CROWDER COURT FORT WAYNE,IN 46825	35-2134195	501 (C) 3	20,000				STUDENT SCHOLARSHIPS FOR HEALTHCARE EDUCATION
ALLEN COUNTY COUNCIL ON AGING233 WEST MAIN STREET FORT WAYNE,IN 46802	35-1270976	501 (C) 3	20,000				MEDICAL TRANSPORTATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BOYS AND GIRLS CLUB OF FORT WAYNE2609 FAIRFIELD AVENUE FORT WAYNE,IN 46807	35-1778767	501 (C) 3	20,000				NUTRITION AND FITNESS PROGRAMS
ASH CENTRE1701 FREEMAN STREET FORT WAYNE,IN 46802	30-0202606	501 (C) 3	15,000				OPERATIONS FUNDING
SUPER SHOT INC709 CLAY STREET SUITE 300 FORT WAYNE,IN 46802	35-2122575	501 (C) 3	15,000				CHILDREN'S IMMUNIZATION PROGRAMS
ASSOCIATED CHURCHES OF FORT WAYNE AND ALLEN COUNTY602 EAST WAYNE STREET FORT WAYNE,IN 46802	35-0905944	501 (C) 3	13,500				BABY'S CLOSET PROGRAM
TTHE CARRIAGE HOUSE 3327 LAKE AVENUE FORT WAYNE,IN 46805	35-2026647	501 (C) 3	13,000				EVENT SPONSORSHIP AND OPERATIONS FUNDING
YWCA NORTHEAST INDIANA INC1610 SPY RUN AVENUE FORT WAYNE,IN 46805	35-0868220	501 (C) 3	12,500				EVENT SPONSORSHIP AND OPERATIONS FUNDING
BALL STATE UNIVERSITY FOUNDATION2800 WEST BETHEL AVENUE MUNCIE,IN 47304	35-6024566	501 (C) 3	12,000				EDUCATION PROGRAMS
FORT WAYNE MUSEUM OF ART311 EAST MAIN STREET FORT WAYNE,IN 46802	35-0953440	501 (C) 3	12,000				ART PROGRAMS AND OPERATIONS FUNDING
SOUTHEAST YMCA - YMCA OF GREATER FORT WAYNE 347 WEST BERRY STREET SUITE 500 FORT WAYNE,IN 46802	35-0886850	501 (C) 3	12,000				OBESITY, FITNESS AND NUTRITION PROGRAMS
VERA BRADLEY FOUNDATION FOR BREAST CANCERPO BOX 80201 FORT WAYNE,IN 46898	35-2058177	501 (C) 3	11,100				SPONSORSHIP OF RESEARCH EVENT
ARTHRITIS FOUNDATION INC615 NORTH ALABAMA STREET INDIANAPOLIS,IN 46204	35-0854247	501 (C) 3	10,000				EVENT SPONSORSHIP
COMMUNITY HARVEST FOOD BANK OF NORTHEAST INDIANA INC P O BOX 10967 FORT WAYNE,IN 46855	31-1100607	501 (C) 3	10,000				OPERATIONS FUNDING

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
FORT WAYNE PUBLIC TRANSPORTATION801 LEESBURG ROAD FORT WAYNE,IN 46808	35-1147407	GOVT ORG	10,000				CITILINK ACCESS PROGRAM
HEALTH AND HOSPITAL CORP6900 SOUTH GRAY ROAD INDIANAPOLIS,IN 46237		GOVT ORG	10,000				EVENT SPONSORSHIP AND OPERATIONS FUNDING
AMERICAN CANCER SOCIETY111 EAST LUDWIG ROAD FORT WAYNE,IN 46825	38-1387120	501 (C) 3	7,000				OPERATIONS FUNDING
FORT WAYNE HEALTHY CITIES3400 EAST COLISEUM BLVD FORT WAYNE,IN 46805	35-1839680	501 (C) 3	6,543				OPERATIONS FUNDING
BLESSINGS IN A BACKPACK 111 EAST WAYNE STREET FORT WAYNE,IN 46802	26-2627847	501 (C) 3	6,000				EVENT SPONSORSHIP
SCAN500 WEST MAIN STREET FORT WAYNE,IN 46802	31-0899309	501 (C) 3	5,907				EVENT SPONSORSHIP
UNITED HISPANIC AMERICANS INC2424 FAIRFIELD AVENUE FORT WAYNE,IN 46807	23-7115725	501 (C) 3	5,040				EVENT SPONSORSHIP

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
PARKVIEW HOSPITAL INC

Employer identification number
35-0868085

Part I

Questions Regarding Compensation

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

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) SUZANNE EHINGER	(i)	309,497	75,530	18,768	67,321	14,276	485,392	0
	(ii)	0	0	0	0	0	0	0
(2) MICHAEL PACKNETT	(i)	0	0	0	0	0	0	0
	(ii)	638,622	270,643	2,838	145,546	13,373	1,071,022	0
(3) THOMAS BOND	(i)	43,010	0	92	3,640	2,782	49,524	0
	(ii)	179,536	37,983	503	18,410	14,071	250,503	0
(4) JEFFREY FRANCIS	(i)	0	0	0	0	0	0	0
	(ii)	103,936	56,980	45,886	5,960	9,309	222,071	8,835
(5) STANTON RISSE	(i)	0	0	0	0	0	0	0
	(ii)	106,781	31,911	180	7,098	17,716	163,686	0
(6) JUDITH BOERGER	(i)	232,551	63,792	4,356	32,201	5,094	337,994	0
	(ii)	0	0	0	0	0	0	0
(7) DANIEL GARMAN	(i)	199,525	41,124	12,451	35,956	20,249	309,305	9,478
	(ii)	0	0	0	0	0	0	0
(8) SUBHASH SHARMA	(i)	208,595	20,429	18,553	29,400	5,872	282,849	0
	(ii)	0	0	0	0	0	0	0
(9) CHARLES CLARK	(i)	162,389	36,458	1,329	31,043	11,151	242,370	0
	(ii)	0	0	0	0	0	0	0
(10) TIMOTHY CMELIK	(i)	157,186	30,139	626	7,245	20,672	215,868	0
	(ii)	0	0	0	0	0	0	0
(11) THOMAS GUTWEIN	(i)	166,771	0	0	0	0	166,771	0
	(ii)	600	0	0	0	0	600	0
(12) CHAD CARPENTER	(i)	134,253	7,000	13,973	15,242	11,388	181,856	0
	(ii)	0	0	0	0	0	0	0
(13) CHARLES MASON	(i)	0	0	0	0	0	0	0
	(ii)	0	0	448,413	0	0	448,413	448,413
(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
	PART I, LINE 1A	PERSONAL SERVICES TAXABLE ALLOWANCE FOR FINANCIAL PLANNING PAID TO SUZANNE EHINGER \$750, DANIEL GARMAN \$135
	PART I, LINE 4B	SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN PAYMENTS TAXABLE - JEFFREY FRANCIS \$8,835, DANIEL GARMAN \$9,478, CHARLES MASON \$448,413 PARTICIPANTS DEFERRED - JUDITH BOERGER \$27,301, MICHAEL BROWNING \$3,835, CHAD CARPENTER \$15,242, CHARLES CLARK \$19,026, SUZANNE EHINGER \$37,921, DANIEL GARMAN \$22,448, MICHAEL PACKNETT \$133,296
	PART I, LINE 7	MANAGEMENT INCENTIVE COMPENSATION PLAN (MICP) IS AN ANNUAL INCENTIVE PROGRAM. SYSTEM GOALS ARE APPROVED BY THE BOARD IN ADVANCE OF THE PLAN YEAR. AT CONCLUSION OF THE PLAN YEAR, RESULTS ARE SHARED WITH THE BOARD AND THE BOARD APPROVES FINAL PAYMENT.

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PARKVIEW HOSPITAL INC

Employer identification number
35-0868085

Part I

Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

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

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

Part II

Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$										

Part III

Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b)Relationship between interested person and the organization	(c)Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) INDIANA SURGICAL SPECIALISTS LLC	ENTITY OF WHICH DIRECTOR MICHAEL GRABOWSKI WAS SERVING AS AN OFFICER	2,190,939	COMMON PAYMASTER, PARKVIEW HEALTH SYSTEM, INC EIN 35-1972384, PAID INDIANA SURGICAL SPECIALISTS, LLC FOR CONTRACTED SERVICES TRANSACTIONS WERE ENTERED INTO AT ARM'S-LENGTH THE CONTRACTED SERVICES INCLUDE CALL COVERAGE 24/7, MEDICAL DIRECTOR COVERAGE, AND PROFESSIONAL TRAUMA SERVICES PROVIDED TO PARKVIEW HOSPITAL, INC PATIENTS INDIANA SURGICAL SPECIALISTS, LLC ASSIGN THEIR BILLINGS AND RECEIPTS TO THE HOSPITAL COLLECTED AMOUNT OF \$491,181 IS NOT REFLECTED ON SCHEDULE L		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
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<div>SCHEDULE O</div> <div>(Form 990 or 990-EZ)</div> <div>Department of the Treasury</div> <div>Internal Revenue Service</div>	<div>Supplemental Information to Form 990 or 990-EZ</div> <div>Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.</div> <div>▶ Attach to Form 990 or 990-EZ.</div>	OMB No 1545-0047
		<div>2010</div> <div>Open to Public Inspection</div>
	<div>Name of the organization</div> <div>PARKVIEW HOSPITAL INC</div>	<div>Employer identification number</div> <div>35-0868085</div>

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 4		<p>DURING 2010, SEVERAL CHANGES WERE MADE TO THE BY LAWS OF PARKVIEW HOSPITAL, INC AND ARE AS FOLLOWS THE FOLLOWING WAS ADDED TO ARTICLE V, SECTION 2 A MAJORITY OF THE BOARD OF DIRECTORS SHALL, AT ALL TIMES, BE CONSIDERED TO BE INDEPENDENT AS DEFINED BY THE INTERNAL REVENUE SERVICE THE CHANGED PORTION AS NOW FINALIZED, OF ARTICLE V, SECTION 3 IS AS FOLLOWS AS TO THOSE DIRECTORS WHO ARE NOT SERVING IN AN EX OFFICIO CAPACITY, THESE DIRECTORS SHALL BE APPOINTED FOR A TERM OF THREE (3) YEARS AND UNTIL A SUCCESSOR HAS BEEN DULY APPOINTED AND QUALIFIED THE BOARD OF DIRECTORS SHALL BE CLASSIFIED IN APPROXIMATELY EQUAL CLASSES OF CLASS 1, CLASS 2 AND CLASS 3 NO PERSON SHALL BE ELIGIBLE FOR APPOINTMENT TO MORE THAN THREE (3) CONSECUTIVE THREE (3) YEAR TERMS AFTER AN ABSENCE OF ONE (1) YEAR, A PERSON SHALL BECOME ELIGIBLE FOR REAPPOINTMENT TO THE BOARD TERMS SHALL COMMENCE ON JANUARY 1 OF EACH CALENDAR YEAR IF A DIRECTOR BEGINS THEIR SERVICE MIDWAY THROUGH THE YEAR (JUNE 30TH) OR AFTER, THE DIRECTOR SHALL NOT BE DEEMED TO HAVE COMMENCED THE FIRST YEAR OF THEIR TERM UNTIL JANUARY 1 OF THE FOLLOWING YEAR ARTICLE V, SECTION 4 IS AS FOLLOWS IN THE EVENT OF A VACANCY OF A DIRECTOR WHO IS NOT SERVING IN AN EX OFFICIO CAPACITY, THE EXECUTIVE COMMITTEE SHALL NOMINATE A CANDIDATE AND PRESENT THE NAME TO THE BOARD THE BOARD SHALL SUBSEQUENTLY RECOMMEND TO THE CORPORATE MEMBER AN INDIVIDUAL TO FILL THE VACANCY, WHICH INDIVIDUAL MAY BE SUBSEQUENTLY APPOINTED BY THE CORPORATE MEMBER THE NEW DIRECTOR SHALL NOT SERVE FOR THE UNEXPIRED TERM OF THE DIRECTOR THAT IS REPLACED, BUT SHALL INSTEAD BEGIN THEIR OWN TERM ON THE BOARD ANY CURRENT DIRECTOR WHO FILLED AN UNEXPIRED TERM OF THEIR PREDECESSOR PRIOR TO JANUARY 1, 2010, SHALL BE "GRANDFATHERED" ARTICLE VIII, SECTION 1 IS AS FOLLOWS THE BOARD MAY ESTABLISH FROM TIME TO TIME SUCH STANDING AND SPECIAL COMMITTEES AS IT SHALL DEEM NECESSARY FOR THE CONDUCT OF THE CORPORATION'S AFFAIRS UNLESS THE COMMITTEE MEMBERSHIP IS OTHERWISE SPECIFIED BY THESE BY LAWS, ALL STANDING COMMITTEES SHALL BE COMPOSED OF NOT LESS THAN TWO (2) BOARD MEMBERS MEMBERSHIP ON THE PARKVIEW HOSPITAL BOARD SHALL NOT BE A REQUIREMENT FOR COMMITTEE MEMBERSHIP OR FOR SERVICE AS A COMMITTEE CHAIR UNLESS OTHERWISE SPECIFIED IN THESE BY LAWS, THE CHAIR OF THE BOARD SHALL APPOINT THE COMMITTEE MEMBERS AND THE CHAIR OF EACH COMMITTEE AND DESIGNATE THE TERM OF OFFICE FOR EACH COMMITTEE MEMBER UNLESS OTHERWISE SPECIFIED IN THESE BY LAWS, THE CHAIR OF THE BOARD AND THE CHIEF OPERATING OFFICER SHALL BE VOTING MEMBERS OF EACH COMMITTEE AND MAY DESIGNATE ANOTHER DIRECTOR OR OFFICER TO ATTEND COMMITTEE MEETINGS ON HIS/HER BEHALF ALL COMMITTEES SHALL KEEP WRITTEN MINUTES OF THEIR MEETINGS AND SUBMIT THE MINUTES TO THE BOARD ARTICLE VIII, SECTION 4 IS AS FOLLOWS THE EXECUTIVE COMMITTEE SHALL BE COMPRISED OF THE OFFICERS OF THE BOARD, THE CHIEF OPERATING OFFICER OF THE CORPORATION, THE PRESIDENT/CHIEF EXECUTIVE OFFICER OF PARKVIEW HEALTH SYSTEM, INC, THE IMMEDIATE PAST CHAIR OF THE BOARD, THE CURRENT PRESIDENT OF THE MEDICAL STAFF, AND SUCH OTHER PERSONS AS IDENTIFIED BY THE CHAIR OF THE BOARD IN NO EVENT SHALL THE MEMBERS OF THE EXECUTIVE COMMITTEE EXCEED EIGHT (8) PEOPLE THE EXECUTIVE COMMITTEE MAY ACT ON BEHALF OF THE CORPORATION IN ANY MATTER WHEN THE BOARD IS NOT IN SESSION, REPORTING TO THE BOARD FOR RATIFICATION OF ITS ACTION MEETINGS MAY BE CALLED BY THE CHAIR OR BY THREE (3) MEMBERS ARTICLE VIII, SECTION 5 IS AS FOLLOWS THE QUALITY COMMITTEE SHALL BE COMPRISED OF THE CHIEF MEDICAL OFFICER, THE PRESIDENT-ELECT OF THE MEDICAL STAFF, AND THE CHIEF OPERATING OFFICER OF THE CORPORATION, THE ADMINISTRATIVE CORPORATE OFFICER RESPONSIBLE FOR THE HOSPITAL'S QUALITY INITIATIVES, OR A DESIGNEE OF THESE INDIVIDUALS, AND AT LEAST TWO ADDITIONAL BOARD MEMBERS, AND ADDITIONAL MEMBERS AS DESIGNATED BY THE BOARD CHAIR IT SHALL COORDINATE WITH THE SYSTEM QUALITY COMMITTEE AND BE RESPONSIBLE FOR IMPLEMENTING ALL STANDARDS, MEASUREMENTS AND QUALITY EFFORTS IT SHALL FURTHER PROGRAMS AND PROCEDURES FOR ACCREDITATION, LICENSURE AND CERTIFICATION BY APPROPRIATE AGENCIES IT SHALL BE RESPONSIBLE FOR MONITORING THE MAINTENANCE OF EFFECTIVE MEDICAL STAFF PERFORMANCE AND QUALITY IMPROVEMENT PROGRAMS IT SHALL MAKE RECOMMENDATIONS TO THE BOARD FOR CHANGES TO THESE PROGRAMS</p>

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		THE ORGANIZATION IS ORGANIZED AS A NOT-FOR-PROFIT CORPORATION PURSUANT TO THE ORGANIZATION'S GOVERNING DOCUMENTS, PARKVIEW HEALTH SYSTEM, INC EIN 35-1972384 IS THE SOLE MEMBER OF PARKVIEW HOSPITAL, INC WITH CERTAIN RESERVED POWERS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		<p>THE CORPORATE MEMBER SHALL HAVE THE FOLLOWING RESERVED POWERS AS DEFINED IN THE NETWORK AGREEMENT (A) APPOINT DIRECTORS (INCLUDING APPOINTMENTS TO FILL A VACANCY) AND INITIATE THE REMOVAL AND REMOVE ANY DIRECTOR OF THE CORPORATION, WITH CAUSE, PROVIDED CONSIDERATION IS GIVEN TO RECOMMENDATIONS OF THE BOARD REGARDING SUCH APPOINTMENT OR REMOVAL, IF ANY ARE SO MADE, (B) APPOINT (INCLUDING APPOINTMENTS TO FILL A VACANCY) AND INITIATE THE REMOVAL AND REMOVE THE PRESIDENT OF THE CORPORATION, WITH OR WITHOUT CAUSE, PROVIDED CONSIDERATION IS GIVEN TO RECOMMENDATIONS OF THE BOARD REGARDING SUCH APPOINTMENT OR REMOVAL, IF ANY ARE SO MADE, (C) APPROVE AND ADOPT THE STRATEGIC PLAN FOR THE CORPORATION AND ITS AFFILIATES, INCLUDING ANY INDIVIDUAL INITIATIVES OR ARRANGEMENTS, SUCH AS A NEW SERVICE OR CONTRACTUAL ARRANGEMENT, DEEMED BY THE CORPORATE MEMBER TO BE OF STRATEGIC IMPORTANCE TO THE CORPORATION OR ITS AFFILIATES AND DIRECT AND MONITOR COMPLIANCE WITH SUCH PLANS, INITIATIVES AND ARRANGEMENTS, (D) UPON RECOMMENDATIONS OF THE CORPORATION, THE CORPORATE MEMBER SHALL APPROVE AND ADOPT THE CAPITAL AND OPERATING BUDGETS OF THE CORPORATION AND ITS AFFILIATES, (E) APPROVE THE INCURRENCE OF ANY DEBT PROPOSED BY THE CORPORATION, INCLUDING THE ISSUANCE OF BONDS BY THE CORPORATION AND ITS AFFILIATES, AND REQUIRE THE INCURRENCE OF DEBT BY THE CORPORATION AND ITS AFFILIATES, (F) APPROVE THE TRANSFER OF ASSETS BY THE CORPORATION AND ITS AFFILIATES, INCLUDING TRANSFERS OF REAL PROPERTY, PERSONAL PROPERTY, CASH, STOCK OR OTHER TANGIBLE OR INTANGIBLE ASSETS, UNLESS OTHERWISE IDENTIFIED IN PREVIOUSLY APPROVED STRATEGIC PLANS, INITIATIVES, ARRANGEMENTS, OR BUDGETS ANY ASSET TRANSFER OR CAPITAL CONTRIBUTION FROM THE CORPORATION SHALL BE SUBJECT TO ANY AND ALL RESTRICTIONS SET FORTH IN EXHIBIT A-1 OF THE BYLAWS (G) REQUIRE AND DIRECT TRANSFER OF ASSETS BY THE CORPORATION OR ITS AFFILIATES, PROVIDED THAT APPROVAL OF THE BOARD IS ALSO REQUIRED IF THE TRANSFER INVOLVES A TRANSFER OR SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE CORPORATION OR WOULD PREVENT THE CORPORATION FROM OPERATING AN ACUTE CARE HOSPITAL IN THE COMMUNITY SUCH RIGHT BY THE CORPORATE MEMBER TO DIRECT THE TRANSFER OF ASSETS SHALL NOT INCLUDE ANY TRANSFER WHICH WOULD CAUSE THE CORPORATION TO BE PUT INTO A FINANCIALLY VULNERABLE POSITION AS AN ONGOING CONCERN, NOR SHALL ANY SUCH TRANSFER CAUSE THE CORPORATION TO VIOLATE THE TERMS AND CONDITIONS OF ANY GIFTS, BEQUESTS, BOND COVENANTS, OR RESTRICTIONS SET FORTH IN THIS LIST FURTHER, FOR PURPOSES OF THIS SECTION, BOARD APPROVAL SHALL NOT BE REQUIRED FOR PARTICIPATION IN A MASTER TRUST INDENTURE, POOLED FINANCING OR ANY OTHER KIND OF DEBT INSTRUMENT, BORROWING OR GUARANTY OBLIGATING CORPORATION ASSETS, (H) APPROVE PARTICIPATION (INCLUDING THE EXERCISE OF RENEWAL OPTIONS) BY THE CORPORATION AND ITS AFFILIATES IN NETWORKS, AFFILIATIONS, JOINT VENTURES, PARTNERSHIPS, MERGERS, OR ACQUISITIONS AND REQUIRE PARTICIPATION BY THE CORPORATION AND ITS AFFILIATES IN SUCH ARRANGEMENTS, (I) APPROVE DECISIONS OF THE CORPORATION AND ITS AFFILIATES TO PARTICIPATE (INCLUDING THE EXERCISE OF RENEWAL OPTIONS) IN MANAGED CARE OR OTHER HEALTH CARE SERVICES PURCHASING ARRANGEMENTS AND REQUIRE PARTICIPATION BY THE CORPORATION AND ITS AFFILIATES IN SUCH HEALTH CARE SERVICE PURCHASING ARRANGEMENTS, (J) DEVELOP AND REQUIRE ADOPTION OF MINIMUM MEDICAL STAFF QUALITY ASSURANCE AND UTILIZATION REVIEW STANDARDS, CRITERIA AND PROCEDURES FOR THE CORPORATION AND ITS AFFILIATES IN CONSULTATION WITH THE CORPORATION, (K) APPROVE ANY ACTION OF THE CORPORATION OR AN AFFILIATE TO CHANGE THE HOSPITAL FROM A GENERAL, ACUTE CARE COMMUNITY HOSPITAL OR TO CLOSE THE HOSPITAL, AND (L) APPROVE ANY AMENDMENT TO THE BYLAWS OR THE ARTICLES OF INCORPORATION OF THE CORPORATION, AND THE ARTICLES AND BYLAWS OF ANY NEWLY CREATED AFFILIATE AND REQUIRE AMENDMENT OF THESE GOVERNING DOCUMENTS AS NECESSARY OR ADVISABLE TO RESOLVE SIGNIFICANT ETHICAL ISSUES, TO MAINTAIN JCAHO ACCREDITATION, TAX-EXEMPT STATUS, PARTICIPATION IN MEDICARE/MEDICAID OR TO PREVENT SIGNIFICANT ADVERSE LEGAL OR FINANCIAL EFFECTS TO THE CORPORATION OR THE SYSTEM, EXCEPT THAT THERE CAN BE NO AMENDMENT TO THE RESERVED POWERS LISTED IN SECTIONS (G) AND (K) OF THIS LIST WITHOUT THE CONSENT OF THE CORPORATION THE CORPORATE MEMBER SHALL DEVELOP POLICIES FOR THE IMPLEMENTATION OF THE RESERVED POWERS, INCLUDING MATERIALITY POLICIES REGARDING MATTERS SUBJECT TO REVIEW</p>

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		SEE SCHEDULE O EXPLANATION FOR FORM 990, PART VI, SECTION A, LINE 7A

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		PURSUANT TO PARKVIEW HEALTH SYSTEM INC 'S BYLAWS, THE SYSTEM AUDIT COMMITTEE MAY ACT ON BEHALF OF THE CORPORATION TO PROVIDE REVIEW OF THE CORPORATION AND ITS SUBSIDIARY CORPORATIONS' FORM 990 FILINGS PARKVIEW HOSPITAL, INC IS A SUBSIDIARY CORPORATION OF PARKVIEW HEALTH SYSTEM, INC AN ELECTRONIC COPY OF THE ORGANIZATION'S FINAL FORM 990 (INCLUDING REQUIRED SCHEDULES) WAS PROVIDED TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY , PRIOR TO FILING WITH THE IRS ON OCTOBER 12, 2011, THE SYSTEM AUDIT COMMITTEE REVIEWED THE FORM 990 AS ULTIMATELY FILED WITH THE IRS THIS REVIEW INCLUDED A PRESENTATION BY THE ORGANIZATION'S TAX PREPARER TO HIGHLIGHT THE SIGNIFICANT AREAS ON THE REDESIGNED FORM 990 AND SUPPLEMENTAL SCHEDULES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	<p>AS DESCRIBED IN ARTICLE IX SECTION 6, OF THE PARKVIEW HEALTH SYSTEM, INC (PH) BYLAWS, PH ADOPTED PH'S COMPLIANCE POLICY FOR THE ORGANIZATION AND ITS NOT-FOR-PROFIT RELATED ORGANIZATIONS (AND AS LIKEWISE NOTED IN THEIR BY LAWS) WHEN ADDRESSING CONFLICTS OR POTENTIAL CONFLICTS OF INTEREST THIS COMPLIANCE POLICY (COMPLIANCE POLICY #14) REQUIRES THAT EACH BOARD MEMBER, BOARD COMMITTEE MEMBER, AND KEY MANAGEMENT PERSONNEL MUST ANNUALLY COMPLETE A CONFLICT OF INTEREST FORM THIS INFORMATION IS PROVIDED TO THE CHAIRMAN OF THE BOARD (FOR BOARD AND BOARD COMMITTEE MEMBERS) AND TO SENIOR MANAGEMENT (FOR KEY MANAGEMENT PERSONNEL) IN ADDITION, AS TO THE CONDUCT OF BOARD MEETINGS, THE FOLLOWING PROCESS IS FOLLOWED "WHENEVER A PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE IS CONSIDERING A TRANSACTION OR ARRANGEMENT WITH AN ORGANIZATION, ENTITY OR INDIVIDUAL IN WHICH A PERSON COVERED BY THIS POLICY HAS A FINANCIAL OR CONFLICTING INTEREST, THE FOLLOWING SHALL OCCUR 1 THE INTERESTED PERSON MUST DISCLOSE THE FINANCIAL OR CONFLICTING INTEREST AND ALL MATERIAL FACTS TO THE PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE, 2 THE INTERESTED PERSON WITH THAT FINANCIAL OR CONFLICTING INTEREST MAY MAKE A PRESENTATION AT THE BOARD OR BOARD COMMITTEE MEETING REGARDING THE TRANSACTION OR ARRANGEMENT HOWEVER, HE/SHE SHALL LEAVE THE MEETING DURING THE DISCUSSION OF, AND THE VOTE ON, THE TRANSACTION OR ARRANGEMENT THAT RESULTS IN THE FINANCIAL OR CONFLICTING INTEREST, AND 3 THE PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE MUST APPROVE THE TRANSACTION OR ARRANGEMENT BY A MAJORITY VOTE OF THE BOARD MEMBERS PRESENT AT A MEETING THAT HAS A QUORUM, NOT INCLUDING THE VOTE OF THE INTERESTED PERSON IN ADDITION, THE FOLLOWING CONSIDERATIONS SHOULD BE MADE 4 IF APPROPRIATE, THE PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE MAY APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT, AND 5 IN ORDER TO APPROVE THE TRANSACTION, THE PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE MUST FIRST FIND, BY A MAJORITY VOTE OF THE DISINTERESTED BOARD MEMBERS, THAT THE PROPOSED TRANSACTION OR ARRANGEMENT IS IN THE BEST INTERESTS OF AND FOR THE BENEFIT OF PH AND/OR PH AFFILIATES AND THE PROPOSED TRANSACTION IS FAIR AND REASONABLE TO PH AND/OR PH AFFILIATES AND, AFTER REASONABLE INVESTIGATION, THAT THE PH AND/OR PH AFFILIATES CANNOT OBTAIN A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT WITH REASONABLE EFFORTS UNDER THE CIRCUMSTANCES "</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	<p>THE ORGANIZATION USED A PROCESS FOR DETERMINING COMPENSATION OF THE CEO, OFFICERS, AND KEY EMPLOYEES. THE PROCESS INCLUDES CONSULTATIONS WITH AN INDEPENDENT COMPENSATION ADVISOR, REVIEW, AND APPROVAL BY THE GOVERNING BODY, AND CONTEMPORANEOUS DOCUMENTATION AND RECORDKEEPING WITH RESPECT TO DELIBERATIONS AND DECISIONS REGARDING THE COMPENSATION ARRANGEMENTS. THE BOARD EXECUTIVE COMMITTEE OF PARKVIEW HEALTH SYSTEM, INC. SERVED AS THE EXECUTIVE COMPENSATION COMMITTEE IN 2010, PURSUANT TO THE ORGANIZATION'S BYLAWS, FOR PURPOSES OF REVIEWING AND APPROVING ALL EXECUTIVE COMPENSATION, BENEFITS AND PERQUISITES FOR THE 2010 COMPENSATION PACKAGE. THE COMPENSATION PACKAGE WAS APPROVED BY A MAJORITY OF INDEPENDENT BOARD EXECUTIVE COMMITTEE MEMBERS. PARKVIEW'S INDEPENDENT CONSULTANT PREPARES A COMPETITIVE COMPENSATION ANALYSIS USING DATA FROM MULTIPLE PUBLISHED SURVEYS PREPARED BY INDEPENDENT FIRMS FOR POSITIONS THAT ARE FUNCTIONALLY COMPARABLE IN SIMILAR-SIZED HEALTH SYSTEMS AND HOSPITAL ORGANIZATIONS ON BOTH A REGIONAL AND NATIONAL BASIS. THE INDEPENDENT CONSULTANT PROVIDES A STATEMENT OF REASONABLENESS OF THE COMPENSATION PROVIDED TO THE CEO AS WELL AS ALL EXECUTIVES AT THE VICE PRESIDENT LEVEL AND ABOVE. ALL DATA IS SHARED WITH THE BOARD OF DIRECTORS EXECUTIVE COMMITTEE. THE BOARD APPROVES ANY CHANGES IN COMPENSATION FOR THE CEO AND HIS DIRECT REPORTS. APPROVAL IS ALSO PROVIDED FOR THE MERIT BUDGET FOR THE ENTIRE ORGANIZATION. THE BOARD REVIEWS AND APPROVES THE MANAGEMENT INCENTIVE COMPENSATION PLAN (MICP). OFFICES OR POSITIONS REVIEWED AT THE 2010 MEETING: PRESIDENT AND CEO, PH, EXECUTIVE VICE PRESIDENT, STRATEGIC DIRECTION AND BUSINESS DEVELOPMENT, EXECUTIVE VICE PRESIDENT, PARKVIEW HEALTH/COO, PARKVIEW HOSPITAL, EXECUTIVE VICE PRESIDENT AND COO, PARKVIEW HEALTH MEDICAL DIRECTOR, COMMUNITY HOSPITALS, SENIOR VICE PRESIDENT, OPERATIONS / SERVICE EXCELLENCE, SENIOR VICE PRESIDENT, HUMAN RESOURCES, SENIOR VICE PRESIDENT AND GENERAL COUNSEL, SENIOR VICE PRESIDENT, HEALTH PLAN SERVICES, SENIOR VICE PRESIDENT, PATIENT CARE, SENIOR VICE PRESIDENT AND CHIEF QUALITY OFFICER / PATIENT SAFETY OFFICER, SENIOR VICE PRESIDENT, OPERATIONS, SENIOR VICE PRESIDENT AND CHIEF INFORMATION OFFICER, SENIOR VICE PRESIDENT/COO, ORTHOPEDIC HOSPITAL, SENIOR VICE PRESIDENT/COO, COMMUNITY HOSPITALS - HUNTINGTON, SENIOR VICE PRESIDENT/COO, COMMUNITY HOSPITALS - NOBLE, SENIOR VICE PRESIDENT/COO, COMMUNITY HOSPITALS - WHITLEY, SENIOR VICE PRESIDENT/COO, COMMUNITY HOSPITALS - LAGRANGE, SENIOR VICE PRESIDENT/COO, PHYSICIAN PRACTICES, SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER, SENIOR VICE PRESIDENT, REVENUE CYCLE MANAGEMENT, MEDICAL DIRECTOR, PARKVIEW PHYSICIAN GROUP, SENIOR VICE PRESIDENT, FACILITY DESIGN AND OVERSIGHT, EXECUTIVE DIRECTOR, WOMEN AND CHILDREN'S SERVICES, VICE PRESIDENT - PATIENT CARE - NOBLE, VICE PRESIDENT - PATIENT CARE - WHITLEY, VICE PRESIDENT - PATIENT CARE - LAGRANGE, CORPORATE DIRECTOR, MARKETING, COMMUNICATIONS, COMMUNITY RELATIONS, VICE PRESIDENT/ADMINISTRATOR, PRIMARY CARE PRACTICE GROUP, EXECUTIVE DIRECTOR, CANCER SERVICES, VICE PRESIDENT, CHANGING SPACES CONSTRUCTION/PROJECT MANAGEMENT, MEDICAL DIRECTOR, HEALTH PLAN SERVICES, CORPORATE DIRECTOR, DIETETICS/FOOD SERVICES, VICE PRESIDENT, PLANNING AND DECISION SUPPORT, VICE PRESIDENT, STRATEGIC AND BUSINESS PLANNING, VICE PRESIDENT, HEALTH INFORMATION MANAGEMENT, EXECUTIVE DIRECTOR, PKV OUTPATIENT ENTERPRISE, VICE PRESIDENT/ADMINISTRATOR, SPECIALTY PRACTICE GROUP, VP SPECIAL PROJECTS, VP PPG FINANCE, VP SUPPLY CHAIN, COO, PARKVIEW HEART INSTITUTE.</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	COPIES OF THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY , AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
COMMON PAYING AGENT FOR FILING ORGANIZATION	FORM 990, PART V, LINE 1A, 2A AND PART VII, SECTION B, LINE 2	PARKVIEW HEALTH SYSTEM, INC (PH), EIN 35-1972384, IS THE COMMON PAYING AGENT FOR THE FILING ORGANIZATION, PARKVIEW HOSPITAL, INC , EIN 35-0868085 THEREFORE, ALL APPLICABLE IRS TAX FILINGS, INCLUDING FORMS 1099, 1096, W-2 AND W-3 ARE REPORTED AND FILED BY PH THE TOTAL NUMBER REPORTED IN BOX 3 OF FORM 1096 AND FILED BY THE COMMON PAYING AGENT, PH, FOR THE YEAR ENDED DECEMBER 31, 2010 WAS 510 THE TOTAL NUMBER OF EMPLOYEES REPORTED ON FORM W-3 AND FILED BY THE COMMON PAYING AGENT, PH, FOR THE YEAR ENDED DECEMBER 31, 2010 WAS 7,707 FOR PURPOSES OF COMPLETING FORM 990, PART V, LINE 1A AND 2A, THE NUMBER REPORTED FOR THE PARKVIEW HOSPITAL, INC WAS 175 AND 3,910 RESPECTIVELY AS REFLECTED IN PART VII, SECTION B, APPROXIMATELY 11 INDEPENDENT CONTRACTORS RECEIVED MORE THAN \$100,000 IN COMPENSATION FOR SERVICES FROM PARKVIEW HOSPITAL, INC

Identifier	Return Reference	Explanation
AVERAGE HOURS PER WEEK DEVOTED TO RELATED ORGANIZATIONS	FORM 990, PART VII, SECTION A, COLUMN B	<p>MICHAEL PACKNETT (DIRECTOR/PH CEO), MICHAEL BROWNING (CURRENT PH SVP & CFO), JEFFREY FRANCIS (PH SVP & CFO), AND STANTON RISSE (INTERIM PH CFO) DEVOTED APPROXIMATELY 40 HOURS PER WEEK TO PARKVIEW HEALTH SYSTEM, INC (PH), AND ONE HOUR PER WEEK TO EACH OF THE FOLLOWING TAX-EXEMPT AND TAXABLE ORGANIZATIONS RELATED TO PH PARKVIEW HOSPITAL, INC (PVHOS) - FILING ORGANIZATION PARKVIEW OCCUPATIONAL HEALTH CENTERS, INC (POHCI) HUNTINGTON MEMORIAL HOSPITAL, INC (HMHOS) COMMUNITY HOSPITAL OF LAGRANGE COUNTY, INC (LGHOS) COMMUNITY HOSPITAL OF NOBLE COUNTY, INC (NBHOS) WHITLEY MEMORIAL HOSPITAL, INC (WMHOS) PARKVIEW FOUNDATION, INC (PVFND) PARKVIEW HUNTINGTON HOSPITAL FOUNDATION, INC (HMFND) COMMUNITY HOSPITAL OF NOBLE COUNTY FOUNDATION, INC (NBFND) WHITLEY MEMORIAL HOSPITAL FOUNDATION, INC (WMFND) PARKVIEW PROFESSIONAL PROGRAMS, INC (PPP) MIDWEST COMMUNITY HEALTH ASSOCIATES, INC (MCHA) ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH, LLC (ORTHO) MANAGED CARE SERVICES, LLC (MCS) FOUNDATION SURGERY AFFILIATE OF FORT WAYNE, LLC (ISCLC) PARKVIEW IMAGING HUNTINGTON, LLC (PIHLC) THOMAS BOND (DIRECTOR/PH PHYSICIAN) DEVOTED APPROXIMATELY 1 HOUR PER WEEK TO PVHOS AND 40 HOURS PER WEEK TO PH LARRY BAGWELL (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PH THOMAS BEAVER (DIRECTOR/CHAIR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PH STEVE CORONA (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PH DAVID HAIST (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PH HERB HERNANDEZ (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVFND, ONE HOUR PER WEEK TO PH AND ONE PER WEEK TO PVHOS THOMAS KIMBROUGH (DIRECTOR/VICE-CHAIR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PH SHERRI MILLER (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVFND, ONE HOUR PER WEEK TO PH AND ONE PER WEEK TO PVHOS MARILYN MORAN-TOWNSEND (DIRECTOR/SECRETARY) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PH CHRISTINE RUPP (DIRECTOR/TREASURER) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVFND, ONE HOUR PER WEEK TO PH AND ONE PER WEEK TO PVHOS WIL SMITH (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PH THOMAS GUTWEIN (PVHOS MEDICAL DIR ECC) DEVOTED APPROXIMATELY 40 HOURS PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PVSYS</p>

Identifier	Return Reference	Explanation
SALARIES AND WAGES, OTHER EMPLOYEE BENEFITS AND PAYROLL TAXES	FORM 990, PART IX, LINES 5-10	PARKVIEW HEALTH SYSTEM, INC , EIN 35-1972384, SERVES AS THE COMMON PAYING AGENT FOR ALL TAX-EXEMPT ORGANIZATIONS OF THE SYSTEM SALARIES AND WAGES OF EMPLOYEES WORKING FOR THESE ORGANIZATIONS ARE CHARGED DIRECTLY TO THE ORGANIZATIONS IN WHICH THEY WORK THE ACTUAL EXPENSES FOR PAYROLL TAXES, EMPLOYEE BENEFITS, AND PENSION PLAN CONTRIBUTIONS ARE REFLECTED ON THE BOOKS OF PARKVIEW HEALTH SYSTEM, INC FOR FINANCIAL REPORTING PURPOSES TO ACCOUNT FOR BENEFIT COSTS ON THE BOOKS OF THE OTHER TAX EXEMPT ORGANIZATIONS, AN ALLOCATION METHODOLOGY IS UTILIZED TO CHARGE THESE ORGANIZATIONS WITH AN ESTIMATE OF THE OVERALL COSTS, REFERRED TO AS A "BENEFIT ALLOCATION" FROM PARKVIEW HEALTH SYSTEM, INC THE ALLOCATION DOES NOT DISTINGUISH BETWEEN THE COSTS OF THE VARIOUS COMPONENTS (I E PAYROLL TAXES, EMPLOYEE BENEFITS, AND PENSION PLAN CONTRIBUTIONS) THEREFORE, FOR PURPOSES OF THE FORM 990, PART IX, THE TOTAL BENEFIT ALLOCATION FOR THE EMPLOYEES' SALARIES AND WAGES REPORTED ON LINE 7 IS REFLECTED ON LINE 9 AND NOT ALLOCATED BETWEEN LINES 8 OR 10 FOR PURPOSES OF THE FORM 990, PART IX, LINES 5 AND 6 REFLECT COMPENSATION AND BENEFIT AMOUNTS REPORTED IN PART VII

Identifier	Return Reference	Explanation
CORPORATE SERVICE ALLOCATION	FORM 990, PART IX, LINE 24A	IN 2009, THE CORPORATE SERVICE ALLOCATION MADE A DISTINCTION BETWEEN SALARIES, BENEFITS, AND PURCHASED SERVICES IN 2009, AMOUNTS DESIGNATED AS SALARIES AND BENEFITS WITHIN THE CORPORATE SERVICE ALLOCATION WERE RECLASSIFIED TO LINES 5-10 ACCORDINGLY IN 2010, THE CORPORATE SERVICE ALLOCATION DOES NOT MAKE A DISTINCTION BETWEEN SALARIES, BENEFITS, AND PURCHASED SERVICES DUE TO THIS CHANGE, IN 2010, SALARIES AND BENEFITS ARE NOT RECLASSIFIED TO LINES 5-10 WHEN COMPARING 2009 TO 2010 BALANCES, THE AMOUNTS REPORTED ON LINES 5-10 VERSUS LINE 24A INCREASE / DECREASE BY APPROXIMATELY THE SAME AMOUNT

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 938,801 ASSET TRANSFERS/ADJUSTMENTS 62,636 CURRENT YEAR EARNINGS TRANSFERRED TO PARENT -25,106,710 INCOME (LOSS) FROM HOSPITAL LAUNDRY SERVICE, INC -34,732 INCOME (LOSS) FROM PARKVIEW PROFESSIONAL PROGRAMS, INC 1,998,037 BOOK/TAX DIFFERENCES K-1'S -25,043 TOTAL TO FORM 990, PART XI, LINE 5 -22,167,011

Identifier	Return Reference	Explanation
REQUIREMENTS UNDER SINGLE AUDIT ACT AND OMB CIRCULAR A-133	FORM 990, PART XII, LINE 3	AS REQUIRED BY THE U S OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS, IN 2010 PARKVIEW HEALTH SYSTEM, INC AND SUBSIDIARIES RECEIVED AN AUDIT FOR THE 2009 CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH THE SINGLE AUDIT ACT PARKVIEW HOSPITAL, INC IS A SUBSIDIARY CORPORATION OF PARKVIEW HEALTH SYSTEM, INC

SCHEDULE R (Form 990) <small>Department of the Treasury Internal Revenue Service</small>	<div>Related Organizations and Unrelated Partnerships</div> <div>▶ 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.</div>	OMB No 1545-0047
		2010
		Open to Public Inspection

Name of the organization PARKVIEW HOSPITAL INC	Employer identification number 35-0868085
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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) PARKVIEW HEALTH SYSTEM INC 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 35-1972384	HEALTH CARE	IN	501(C)(3)	LINE 11C, III-FI	N/A		No
(2) PARKVIEW FOUNDATION INC 2200 RANDALLIA DRIVE FORT WAYNE, IN 46805 23-7220589	FUND MGMT	IN	501(C)(3)	LINE 11A, I	PARKVIEW HOSPITAL INC	Yes	
(3) PARKVIEW OCCUPATIONAL HEALTH CENTERS INC 2200 RANDALLIA DRIVE FORT WAYNE, IN 46805 35-2064353	OCCUP HEALTH	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC		No
(4) COMMUNITY HOSPITAL OF NOBLE COUNTY INC 401 SAWYER ROAD KENDALLVILLE, IN 46755 35-2087092	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC		No
(5) COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC 207 N TOWNLINE ROAD LAGRANGE, IN 46761 20-2401676	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC		No
(6) WHITLEY MEMORIAL HOSPITAL INC 353 N OAK STREET COLUMBIA CITY, IN 46725 35-1967665	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC		No
(7) HUNTINGTON MEMORIAL HOSPITAL INC 2001 STULTS ROAD HUNTINGTON, IN 46750 35-1970706	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC		No

Part III

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

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

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
(1) PARKVIEW PROFESSIONAL PROGRAMS INC 2200 RANDALLIA DRIVE FORT WAYNE, IN46805 35-1668888	REFERENCE LAB	IN		C	14,822,049	2,308,214	100 000 %
(2) PARKVIEW PROFESSIONAL BILLINGS INC 2200 RANDALLIA DRIVE FORT WAYNE, IN46805 35-1950305	BILLING	IN		C	1,680		100 000 %

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

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

r

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

Yes

No

1a

Yes

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

Yes

1j

Yes

1k

No

1l

No

1m

No

1n

No

1o

Yes

1p

No

1q

Yes

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) PARKVIEW FOUNDATION INC	A	25,263	PART VII SUPPLEMENTAL INFORMATION
(2) PARKVIEW FOUNDATION INC	C	391,856	PART VII SUPPLEMENTAL INFORMATION
(3)			
(4)			
(5)			
(6)			

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation
METHOD USED TO DETERMINE VALUE	SCHEDULE R, PART V, LINE 2, COLUMN (C)	THE AMOUNTS REPORTED AS TRANSACTIONS WITH RELATED ORGANIZATIONS ARE CONSISTENT WITH THE AMOUNTS REPORTED ON THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS UNDER THE GENERALLY ACCEPTED ACCOUNTING STANDARDS DEPENDING ON THE TYPE OF TRANSACTION INVOLVED

Software ID:
Software Version:
EIN: 35-0868085
Name: PARKVIEW HOSPITAL INC

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
PARKVIEW HEALTH SYSTEM INC 10501 CORPORATE DRIVE FORT WAYNE, IN46845 35-1972384	HEALTH CARE	IN	501(C)(3)	LINE 11C, III-FI	N/A		No
PARKVIEW FOUNDATION INC 2200 RANDALLIA DRIVE FORT WAYNE, IN46805 23-7220589	FUND MGMT	IN	501(C)(3)	LINE 11A, I	PARKVIEW HOSPITAL INC	Yes	
PARKVIEW OCCUPATIONAL HEALTH CENTERS INC 2200 RANDALLIA DRIVE FORT WAYNE, IN46805 35-2064353	OCCUP HEALTH	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC		No
COMMUNITY HOSPITAL OF NOBLE COUNTY INC 401 SAWYER ROAD KENDALLVILLE, IN46755 35-2087092	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC		No
COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC 207 N TOWNLINE ROAD LAGRANGE, IN46761 20-2401676	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC		No
WHITLEY MEMORIAL HOSPITAL INC 353 N OAK STREET COLUMBIA CITY, IN46725 35-1967665	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC		No
HUNTINGTON MEMORIAL HOSPITAL INC 2001 STULTS ROAD HUNTINGTON, IN46750 35-1970706	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC		No

TY 2010 Consideration Computation Statement

Name: PARKVIEW HOSPITAL INC

EIN: 35-0868085

Statement: A.) MEDICAL DIRECTOR SERVICESB.) THE MEDICAL DIRECTOR SERVICES AGREEMENT IS BETWEEN PARKVIEW HOSPITAL, INC. (PURCHASER), AND SRINIVAS DEVANATHAN, M.D. (OWNER/SELLER/PHYSICIAN).THE MEDICAL DIRECTOR SHALL PROVIDE ADMINISTRATIVE AND SUPERVISORY SERVICES, WHICH SERVICES SHALL BE NO GREATER THAN TEN (10) HOURS PER MONTH AT A RATE OF ONE HUNDRED THIRTEEN AND 00/100 (\$113.00) PER HOUR. THE AGREEMENT SHALL COMMENCE ON AUGUST 1, 2010, AND SHALL BE IN FORCE FOR A PERIOD OF ONE (1) YEAR. EITHER PARTY MAY TERMINATE THE AGREEMENT AT ANY TIME UPON GIVING THE OTHER PARTY THIRTY (30) DAYS' WRITTEN NOTICE.THE MEDICAL DIRECTOR AT ALL TIMES WILL ACT AS AN INDEPENDENT CONTRACTOR AND NOT AS A PARTNER OR AGENT OF PARKVIEW HOSPITAL, INC.

TY 2010 Consideration Computation Statement

Name: PARKVIEW HOSPITAL INC

EIN: 35-0868085

Statement: A) EMPLOYEE LEASE AGREEMENTB) THE EMPLOYEE LEASE AGREEMENT IS BETWEEN GERIG ENTERPRISES, INC., D/B/A COMPANION LIFELINE (PURCHASER), AND PARKVIEW HOSPITAL, INC., D/B/A PARKVIEW HOME HEALTH AND HOSPICE (SELLER).PARKVIEW HOSPITAL, INC. EMPLOYS AN EMPLOYEE NAMED ROBERT WEBER AND GERIG ENTERPRISES, INC. LEASES THE SERVICES OF ROBERT WEBER ON AN AS-NEEDED BASIS BEGINNING MARCH 30, 2010 THROUGH MARCH 31, 2011. GERIG ENTERPRISES, INC. AGREES TO PAY PARKVIEW HOSPITAL, INC. A LEASE PAYMENT THAT REFLECTS THE FAIR MARKET VALUE OF THE HOURLY SERVICES OF THE LEASED EMPLOYEE.



CONSOLIDATED FINANCIAL STATEMENTS

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health
Years Ended December 31, 2010 and 2009
With Report of Independent Auditors

Ernst & Young LLP



Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

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Report of Independent Auditors

The Board of Directors
Parkview Health System, Inc

We have audited the accompanying consolidated balance sheets of Parkview Health System, Inc and subsidiaries (the Corporation) as of December 31, 2010 and 2009, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Corporation's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Parkview Health System, Inc and subsidiaries at December 31, 2010 and 2009, and the consolidated results of their operations and changes in their net assets and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

April 26, 2011

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Balance Sheets
(In Thousands)

	December 31	
	2010	2009
Assets		
Current assets		
Cash and cash equivalents	\$ 21,209	\$ 42,881
Patient accounts receivable, less allowances for bad debts of \$28,868 and \$33,737 in 2010 and 2009, respectively	120,743	129,972
Inventories	10,915	10,618
Prepaid expenses and other current assets	20,271	20,081
Collateral from securities lending agreement (Note 6)	6,318	19,922
Total current assets	179,456	223,474
Investments (Note 6):		
Board-designated debt reserve and capital replacement funds	650,549	790,508
Securities pledged	7,660	21,134
Other investments	122	113
	658,331	811,755
Property and equipment (Note 7):		
Cost	1,223,956	945,264
Less accumulated depreciation and amortization	500,642	452,151
	723,314	493,113
Other assets		
Interest rate swaps	6,197	7,955
Deferred financing costs, net	3,146	3,197
Investments in joint ventures	4,237	2,998
Goodwill and intangible assets, net (Note 3)	45,735	40,555
Other assets	29,522	10,514
	88,837	65,219
Total assets	\$ 1,649,938	\$ 1,593,561

	December 31	
	2010	2009
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 71,351	\$ 49,098
Salaries, wages, and related liabilities	41,308	44,636
Accrued interest	2,944	2,801
Estimated third-party payor settlements	6,208	6,373
Payable under securities lending agreement (<i>Note 6</i>)	7,835	21,821
Current portion of long-term debt (<i>Note 8</i>)	32,250	14,100
Total current liabilities	161,896	138,829
Noncurrent liabilities		
Long-term debt, less current portion (<i>Note 8</i>)	596,091	595,006
Interest rate swaps (<i>Note 9</i>)	46,390	30,252
Accrued pension obligations (<i>Note 10</i>)	11,205	23,288
Other	12,318	9,654
	666,004	658,200
Net assets		
Parkview Health System, Inc	802,315	777,667
Noncontrolling interest in subsidiaries	14,926	14,350
Total unrestricted net assets	817,241	792,017
Temporarily restricted net assets	4,020	3,738
Permanently restricted net assets	777	777
Total net assets	822,038	796,532
 Total liabilities and net assets	 <u>\$ 1,649,938</u>	 <u>\$ 1,593,561</u>

See accompanying notes.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Operations
and Changes in Net Assets
(In Thousands)

	Year Ended December 31	
	2010	2009
Revenues		
Net patient care service revenue	\$ 808,283	\$ 808,645
Other revenue	29,597	28,576
	<u>837,880</u>	<u>837,221</u>
Expenses		
Salaries and benefits	413,898	382,316
Supplies	121,655	116,407
Purchased services	97,446	98,398
Utilities, repairs, and maintenance	35,242	34,475
Depreciation and amortization	50,556	55,855
Provision for bad debts	55,701	56,802
Other	30,584	21,961
	<u>805,082</u>	<u>766,214</u>
Operating income before impairment charges	32,798	71,007
Write-down of asset due to impairment (Note 4)	<u>(4,385)</u>	<u>—</u>
Operating income	28,413	71,007
Nonoperating income (expense)		
Interest, dividends, and realized gains (losses) on sales of investments, net (Note 6)	16,588	(9,489)
Unrealized gains on investments, net (Note 6)	27,381	112,464
Interest expense	(21,606)	(14,276)
Realized and unrealized (losses) gains on interest rate swaps, net	(17,880)	61,394
Other (Note 2)	(878)	(10,081)
Excess of revenues over expenses	<u>32,018</u>	<u>211,019</u>
Excess of revenues over expenses attributable to noncontrolling interest in subsidiaries	8,623	9,445
Excess of revenues over expenses attributable to Parkview Health System, Inc. and subsidiaries	<u>\$ 23,395</u>	<u>\$ 201,574</u>

See accompanying notes

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Operations
and Changes in Net Assets (continued)
(In Thousands)

	Year Ended December 31, 2010		
	Total	Controlling Interest	Noncontrolling Interest
Unrestricted net assets			
Excess of revenues over expenses	\$ 32,018	\$ 23,395	\$ 8,623
Distributions to noncontrolling interests	(8,059)	—	(8,059)
Pension-related changes other than net periodic pension cost	3,309	3,309	—
Other	(2,044)	(2,056)	12
Increase in unrestricted net assets	25,224	24,648	576
Temporarily restricted net assets			
Contributions	508	508	—
Investment income	74	74	—
Net assets released from restrictions	(527)	(527)	—
Other	227	227	—
Increase in temporarily restricted net assets	282	282	—
Increase in net assets	25,506	24,930	576
Net assets at beginning of year	796,532	782,182	14,350
Net assets at end of year	<u>\$ 822,038</u>	<u>\$ 807,112</u>	<u>\$ 14,926</u>

See accompanying notes

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Operations
and Changes in Net Assets (continued)
(In Thousands)

	Year Ended December 31, 2009		
	Total	Controlling Interest	Noncontrolling Interest
Unrestricted net assets			
Excess of revenues over expenses	\$ 211,019	\$ 201,574	\$ 9,445
Distributions to noncontrolling interests	(10,061)	—	(10,061)
Pension-related changes other than net periodic pension cost	47,786	47,786	—
Other	4,524	4,524	—
Increase (decrease) in unrestricted net assets	253,268	253,884	(616)
Temporarily restricted net assets			
Contributions	506	506	—
Investment income	33	33	—
Net assets released from restrictions	(53)	(53)	—
Other	(298)	(298)	—
Increase in temporarily restricted net assets	188	188	—
Permanently restricted net assets			
Contributions	1	1	—
Increase in permanently restricted net assets	1	1	—
Increase (decrease) in net assets	253,457	254,073	(616)
Net assets at beginning of year	543,075	528,109	14,966
Net assets at end of year	<u>\$ 796,532</u>	<u>\$ 782,182</u>	<u>\$ 14,350</u>

See accompanying notes

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended December 31	
	2010	2009
Operating activities		
Increase in net assets	\$ 25,506	\$ 253,457
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Provision for bad debts	55,701	56,802
Depreciation and amortization	50,556	55,855
Unrealized loss (gain) on interest rate swaps	17,837	(72,974)
Amortization of deferred financing costs and discount	480	1,051
Gain on bond refinancing	—	(3,466)
(Gain) loss from disposal of property and equipment	440	501
Write-down of assets due to impairment	4,385	—
Pension-related changes other than net periodic pension cost	(3,309)	(47,786)
Changes in operating assets and liabilities		
Patient accounts receivable	(40,528)	(69,741)
Inventories	82	2,287
Prepaid expenses and other current assets	14,438	13,517
Trading securities	153,423	(138,493)
Investment in equity method joint ventures	—	(133)
Accounts payable, accrued expenses, and other current liabilities	3,900	(67,529)
Estimated third-party payor settlements	(164)	1,502
Accrued pension obligation	(8,774)	(9,723)
Collateral (posted) returned on swaps	(17,080)	33,439
Other	8,089	14,255
Net cash provided by operating activities	264,982	22,821
Investing activities		
Property and equipment additions, net	(280,701)	(121,305)
Business acquisitions	(16,972)	(27,119)
Proceeds from sale of property and equipment	195	997
Net cash used in investing activities	(297,478)	(147,427)
Financing activities		
Principal payments of long-term debt	(10,720)	(7,575)
Proceeds from issuance of long-term debt	29,337	485,042
Early refunding of long-term debt	—	(329,345)
Distributions to noncontrolling interests	(8,059)	(10,061)
Other	266	(917)
Net cash provided by financing activities	10,824	137,144
(Decrease) increase in cash and cash equivalents	(21,672)	12,538
Cash and cash equivalents at beginning of year	42,881	30,343
Cash and cash equivalents at end of year	\$ 21,209	\$ 42,881

Supplemental disclosures of cash flow information

The Corporation entered into capital lease obligations in the amounts of \$32 and \$5,504 for new equipment in 2010 and 2009, respectively.

See accompanying notes

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Year Ended December 31, 2010

1. Organization

Nature of Operations

Parkview Health System, Inc., d/b/a Parkview Health (PH or the Corporation), is a health care system that provides services in Northeast Indiana. PH's mission is to provide quality health care services to all who entrust their care to PH and to improve the health of the community. Services provided by PH include acute, nonacute, and tertiary care services on an inpatient, outpatient, and emergency basis, managed care contracting, health care diagnostics, and treatment services for individuals and families, home health care, and behavioral health care. The principal operating activities of PH are conducted by wholly owned or controlled affiliates and subsidiaries.

PH is the sole corporate member of Parkview Hospital, Inc. (PVH), which operates Parkview Hospital, a 512-bed acute care hospital located in Fort Wayne, Indiana. PVH also operates Parkview North Hospital, a 103-bed acute care hospital, and is the majority owner (60%) of the Orthopaedic Hospital at Parkview North LLC (ORTHO), which is a for-profit joint venture hospital with a large orthopaedic physician group. ORTHO operates the Orthopaedic Hospital, a 36-bed orthopaedic specialty hospital. In addition, PH is the sole corporate member of Huntington Memorial Hospital, Inc., Whitley Memorial Hospital, Inc., Community Hospital of Noble County, Inc., and Community Hospital of LaGrange County, Inc., each of which operates an acute care community hospital and related facilities in the Northeast region of Indiana. These hospitals are collectively the "Hospital Affiliates."

PH and PVH are the sole members of Managed Care Services, LLC, which provides managed care network access for the Hospital Affiliates, as well as the sales and administration of PH's Preferred Provider Organization (PPO) product, Signature Care.

Parkview Physicians Group (PPG), a division of PH, is a multi-disciplinary group of employed physicians. PPG was developed to enhance the delivery of quality health care services in Northeast Indiana and has recently expanded into Northwest Ohio. Disciplines represented in PPG include primary care, ob-gyn, orthopaedics, colon and rectal surgery, cardiovascular surgery, general surgery, hospitalists/intensivists, podiatry, psychiatry, urology, cardiology, pulmonology and critical care, gastroenterology, rheumatology, and physiatry. PPG is the largest physician group headquartered in Northeast Indiana.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

1. Organization (continued)

The legal entity names, marketing brand names, and the acronyms for each significant entity within PH are as follows

Legal Name	Marketing Brand (d/b/a) Name	Acronym
Parkview Health System, Inc	Parkview Health, including Parkview Physicians' Group	PH and PPG
Parkview Hospital, Inc	Parkview Hospital	PVH
Orthopaedic Hospital at Parkview North, LLC	Parkview Ortho Hospital	ORTHO
Huntington Memorial Hospital	Parkview Huntington Hospital	PHH
Whitley Memorial Hospital, Inc	Parkview Whitley Hospital	PWH
Community Hospital of Noble County, Inc	Parkview Noble Hospital	PNH
Community Hospital of LaGrange County, Inc	Parkview LaGrange Hospital	PLH
Managed Care Services, LLC	Managed Care Services	MCS
Parkview Foundation, Inc	Parkview Foundation	PVHF
Whitley Memorial Hospital Foundation, Inc	Parkview Whitley Hospital Foundation	PWHF
Community Hospital of Noble County Foundation, Inc	Parkview Noble Hospital Foundation	PNHF
Huntington Memorial Hospital Foundation, Inc	Parkview Huntington Hospital Foundation	PHHF

Transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as net patient care service revenue. Other transactions are included with other revenue. Other revenue includes rentals of medical office buildings, investment income from affiliated foundations, and equity income of unconsolidated subsidiaries and joint ventures.

Changes in Reporting Entity

During 2010 and 2009, PH acquired several physician groups for a total purchase price of \$16,972 and 21,956, respectively. The groups are included in PPG.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

1. Organization (continued)

Community Benefits and Charity Care

The Corporation provides programs and services to address the needs of those in the communities it serves with limited financial resources, generally at no, or low, cost to those being served. Additional services are provided to beneficiaries of governmental programs (principally those relating to the Medicare and Medicaid programs) at substantial discounts from established rates and are considered part of the Corporation's benefit to the communities.

Assistance is also provided as needed to patients and their families for the submission of forms for insurance, financial counseling, and application to the Medicare and Medicaid programs for health service coverage. The costs of providing these programs and services are included in expenses.

Consistent with the Corporation's mission, care is provided to patients regardless of their ability to pay. Patients who meet certain criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue. Records are maintained to identify and monitor the level of charity care provided at the amount of standard charges foregone for services and supplies furnished. Included in the Corporation's charity care policy is a discount for uninsured patients.

PVH and each of the community hospitals administer community benefit programs for the areas in which they serve. PVH targets \$3,000 annually for community benefit, while the community hospitals each target 10% of their excess of revenues over expenses annually to be designated for community benefit in their respective communities. These funds are controlled by the hospitals, and contributions made as part of their community benefit program are under the direction of their respective Board of Directors (the Board). The hospitals have a long tradition of community involvement, and their community benefit programs reflect their commitment and support to their respective communities and counties.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

1. Organization (continued)

The Corporation and its subsidiaries have a commitment to improving the health of the citizens of the communities served. In all locations, PH has made a concerted effort to identify opportunities to partner with local organizations and to develop initiatives to improve the health of these communities. Health fairs and screenings are common efforts to identify problems before they become serious or life-threatening. Affiliates often partner with local organizations for community education, including the Minority Health Coalition, American Lung Association, SuperShot, YMCA, YWCA, Health Information Link, and American Heart Association. PH provides subsidies for the emergency medical services of the counties where its four community hospitals reside. An association with Fort Wayne Community Schools has provided nurses, dental care, and physicals to needy children. PH donations support nursing programs at Indiana University-Purdue University of Fort Wayne and the University of St. Francis. Efforts have helped provide health care to the medically underserved through support of the Neighborhood Health Clinic and Matthew 25. PH affiliates have supported homeless shelters, women's crisis shelters, safety councils, senior transportation programs, and poison control programs. Awareness and prevention programs dealing with safety, trauma, drugs, and alcohol are projects of PH.

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of PH and all majority owned or controlled subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation. The equity method of accounting is used for investments in joint ventures, partnerships, and companies where control or ownership is 20% to 50%. The cost method of accounting is used for investments in affiliated entities of less than 20%. For the years ended December 31, 2010 and 2009, PH's share of income (loss) recorded using the equity method approximated \$1,895 and \$1,900, respectively, and is recorded as other revenue in the consolidated statements of operations and changes in net assets.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with U S generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Financial Instruments

Financial instruments include cash and cash equivalents, short-term investments, patient and other accounts receivable, collateral from securities lending agreement, investments, accounts payable and accrued expenses, estimated third-party payor settlements, payable under securities lending agreement, long-term debt, derivative financial instruments (i e , interest rate swaps), and certain other current assets and liabilities.

Cash and Cash Equivalents

Investments in highly liquid debt instruments with a maturity of three months or less when purchased, excluding amounts classified with Board-designated investments, are considered cash equivalents. The Corporation routinely invests in money market mutual funds. These funds generally invest in highly liquid U S government and agency obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risk include the Corporation's cash and cash equivalents. The Corporation places its cash and cash equivalents with institutions with high credit quality. However, at certain times, such cash and cash equivalents may be in excess of government-provided insurance limits.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Patient Accounts Receivable, Estimated Third-Party Payor Settlements, and Net Patient Care Service Revenue

Patient accounts receivable and net patient care service revenue are reported at the estimated net realizable amounts due from patients, third-party payors (including insurers), and others for services rendered and include estimated retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are settled and are no longer subject to such audits, reviews, and investigations.

The Corporation grants credit to patients and does not require collateral or other security for the delivery of health care services. However, assignment of benefit payments payable under patients' health insurance programs and plans (e.g., Medicare, Medicaid, health maintenance organizations, and commercial insurance policies) is routinely obtained, consistent with industry practice.

Allowances for Bad Debts

The provision for bad debts is based upon management's assessment of historical and expected net collections considering business and economic conditions, trends in health care coverage, and other collection indicators. Periodically, management assesses the adequacy of the allowance for bad debts based upon these indicators and accounts receivable payor composition and aging and considering historical write-off experience by payor category and aging. The results of this review are then used to make any modifications to the provision for bad debt and to establish an appropriate allowance for bad debts. In addition, PH follows established guidelines for placing certain past-due patient balances with collection agencies.

Inventories

Inventories consist primarily of drugs and supplies and are stated at the lesser of cost or market, and are valued using the average cost method.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Investments

Investments in equity and debt securities are measured at fair value. With respect to hedge funds, these investments are recorded under the equity method of accounting, based on information provided by the funds' managers. Generally, the net asset value reflects the contributed capital, as well as an allocated share of the underlying limited partnership's realized and unrealized gains and losses. The fair value of underlying investments held by the limited partnerships is determined by the respective general partners.

Investment income or loss (including realized gains and losses on the sale of investments, unrealized gains and losses on investments, and changes in the carrying value of hedge funds), with the exception of investment income or loss, as defined, related to the various PH foundations, is reported as other nonoperating income (expense) unless the income is restricted by donor or law. Investment income or loss apportioned to the foundations is reported in other operating revenue. The cost of securities sold is based on the specific-identification method.

Board-designated funds represent certain funds from operations and other sources designated by the Board to be used for future capital asset replacements, for the retirement of long-term debt, and for other purposes. The Board retains control over these investments and may, at its discretion, subsequently designate the use of these investments for other purposes. Funds are invested in accordance with Board-approved policies, which, among other matters, require diversification of the investment portfolio, establish credit risk parameters, and limit the investment in any single organization. Substantially all investment transactions are managed by professional investment managers and are held in custody at a financial institution. All Board-designated funds are classified as trading securities.

Investment securities purchased and sold are reported based on trade date. Due to the period lag between the trade and settlement date, PH reports receivables for securities sold but not settled and reports liabilities for securities purchased but not settled. These receivables and payables are settled from within the investment portfolio and are presented on a net basis within investments in the consolidated balance sheets.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at date of donation. Interest costs incurred as part of the related construction are capitalized during the period of construction. Depreciation is provided on a straight-line basis over the expected useful lives of the various classes of assets. Estimated useful lives range from 5 to 25 years for land improvements, 5 to 40 years for buildings, and 3 to 15 years for equipment. Amortization of capital leased assets is included within depreciation expense.

Goodwill

PH records goodwill arising from a business combination as the excess of purchase price and related costs over the fair value of identifiable tangible and intangible assets acquired and liabilities assumed. Beginning in 2010, PH annually reviews, as of the first day of the fourth quarter, the carrying value of goodwill for impairment. In addition, a goodwill impairment assessment is performed if an event occurs or circumstances change that would make it more likely than not that the fair value of a reporting unit is below its carrying amount. Management has determined that the Corporation is the reporting unit at which fair value is measured. If such circumstances suggest that the recorded amounts of any of these assets cannot be recovered, the carrying values of such assets are reduced to fair value. If the carrying value of any of these assets is impaired, a material charge may be incurred to results of operations.

Intangible Assets

Costs allocated to customer relationships and other intangible assets are based on their fair value at the date of acquisition. The cost of intangible assets is amortized on a straight-line basis over the assets' estimated useful life ranging from three (3) to twenty (20) years.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Impairment

Fixed assets and amortizable intangible assets are reviewed for impairment whenever conditions indicate that the carrying amount may not be recoverable. In evaluating the recoverability of long-lived assets, such assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. Such impairment tests compare estimated undiscounted cash flows to the recorded value of the asset. If an impairment is indicated, the asset is written down to its fair value or, if fair value is not readily determinable, to an estimated fair value based on discounted cash flows, and a corresponding loss is recorded.

Derivative Financial Instruments

PH investment fund managers use derivative financial instruments in the investment portfolio to moderate changes in value due to fluctuations in financial markets. PH has not designated its derivatives related to marketable securities as hedges, and the change in fair value of these derivatives is recognized as a component of unrealized gains (losses) on investments, net.

As part of its debt management program, the Corporation has entered into several interest rate swap arrangements. Derivative instruments are recognized as either assets or liabilities in the consolidated balance sheets at fair value. The Corporation does not account for any of its interest rate swap agreements as hedges, and accordingly, changes in the fair value of interest rate swap agreements are recorded in the consolidated statements of operations and changes in net assets as nonoperating income (expense). Included in other nonoperating income (expense) in the consolidated statements of operations and changes in net assets are net settlement payments on interest rate swaps.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Effective January 1, 2006, management elected to de-designate those derivative instruments that had previously qualified and been reported as hedging instruments. At the point of de-designation, there existed a balance of accumulated gains in unrestricted net assets totaling \$6,141. This accumulated gain was to be reclassified to other income over the period that the instrument impacts income (i.e., when interest expense on the hedged debt is incurred). Amortization was scheduled to occur through 2029. As a result of the 2009 bond issuance and early termination of three interest rate swap agreements, \$4,263 was immediately recognized in other nonoperating income (expense) in the 2009 consolidated statement of operations and changes in net assets. Amortization resulted in the recording of approximately \$43 and \$139 of accumulated gains in the consolidated statements of operations and changes in net assets for each of the years ending 2010 and 2009, respectively. Approximately \$924 and \$967 of unamortized accumulated gains were accumulated as a component of unrestricted net assets at December 31, 2010 and 2009, respectively.

Pension Plans

PH's retirement program, called Trusted Choices Retirement Program, offers a defined-contribution plan. Contributions to the defined-contribution plan are based upon benefit service points and a combination of age and years of benefit service. Contributions are calculated as a percentage of eligible pay. In addition, active employees at December 31, 2004, were provided a one-time choice to remain in PH's defined-benefit plan or freeze their defined-benefit plan benefits and move to the employer funded defined-contribution plan. Definitions of eligibility, pay, benefit service, and vesting under the defined-benefit plan are the same as the defined-contribution plan. Contributions to these plans include amortization of prior service costs plus interest thereon and are funded currently.

In addition to participation in the defined-contribution plan and/or defined-benefit plan, eligible employees are provided a voluntary opportunity to participate in a 403(b) or a 401(k) plan based upon the tax status of the employing corporation. The 403(b) and 401(k) plans have match provisions. Benefits for eligible employees are based on the employee's compensation.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Malpractice Insurance

The Corporation and its affiliates are subject to pending and threatened legal actions that arise in the normal course of their activities. Medical malpractice coverage is provided through a program of self-insurance and commercial insurance and considers limitations imposed by the Indiana Medical Malpractice Act, as amended (the Act). The Act limits the amount of individual claims to \$1,250 (effective July 1, 1999), of which \$1,000 would be paid by the State of Indiana Patient Compensation Fund and \$250 by the Corporation or by its commercial insurer, The Medical Protective Company.

Malpractice claims for incidents that may give rise to litigation have been asserted against the Corporation by various claimants. The claims are in various stages of resolution, and some may ultimately be brought to trial. There are also reported incidents that have occurred through December 31, 2010, that may result in the assertion of additional claims. There may be other claims from unreported incidents arising from services provided to patients. The reserve for medical malpractice includes amounts for claims and related legal expenses for these incurred but not reported incidents. This reserve is actuarially determined by combining industry data and the Corporation's historical experience. Accrued malpractice losses have been discounted at 5% in both 2010 and 2009 and, in management's opinion, provide adequate reserve for loss contingencies. At December 31, 2010 and 2009, management has accrued its best estimate of these contingent losses to the extent the incidents fall within the limits of the Corporation's self-insurance program. Included in accounts payable and accrued expenses is \$600 for each year presented, and \$3,270 and \$3,082 at December 31, 2010 and 2009, respectively, is reported as an other liability in the consolidated balance sheets.

The Corporation established a restricted trust for claims not covered by commercial insurance for the purpose of setting aside assets based on actuarial funding recommendations. Under the trust agreements, the trust assets can only be used for payment of malpractice and general liability losses, related expenses, and the cost of administering the trust. The balance of the trust was \$4,120 and \$2,943 at December 31, 2010 and 2009, respectively. The trust is included in Board-designated debt reserve and capital replacement funds in the accompanying consolidated balance sheets.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Income Taxes

The Internal Revenue Service has determined that the Corporation and certain affiliated entities are tax-exempt organizations as defined in Section 501(c)(3) of the Internal Revenue Code. Certain subsidiaries of the Corporation are taxable entities, the tax expense and liabilities of which are not material to the consolidated financial statements.

Performance Indicator

Excess of revenues over expenses as reflected in the accompanying consolidated statements of operations and changes in net assets includes operating income and nonoperating income and expense. Contributions of long-lived assets, pension-related changes, net assets released from restriction, and distributions to noncontrolling interests are excluded from excess of revenues over expenses.

Operating and Nonoperating Income (Expense)

Activities directly associated with the furtherance of PH's mission are considered operating activities. Other activities that result in gains or losses peripheral to PH's primary mission are considered to be nonoperating. Nonoperating activities include interest, dividends, and realized gains (losses) on sales of investments, net, unrealized gains (losses) on investments, net, interest expense, realized and unrealized gains (losses) on interest rate swaps, net, and other.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity. Investment return is allocated to unrestricted and temporarily restricted net assets based on the respective net asset balances and the wishes of the donor. The net assets are generally restricted for indigent and other patient services, medical education and research programs, facilities, and medical supplies and equipment.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Reclassifications

Certain 2009 amounts were reclassified to conform to the 2010 presentation. Such reclassifications had no effect on previously reported excess of revenues over expenses or net assets.

Distributions

Certain consolidated subsidiaries of PH have members who hold a noncontrolling ownership interest. Upon authorization for the Boards of Directors of those subsidiaries, cash available for distribution, or a portion thereof, arising from operations may be distributed to PH and the noncontrolling members ratably in accordance with the members' respective membership interests.

Adoption of New Accounting Standards

Accounting guidance was recently issued for mergers and acquisitions involving not-for-profit entities. This guidance establishes principles to assist not-for-profit entities in determining if a combination is to be accounted for as a merger or an acquisition. The guidance applies the carryover (similar to pooling) method to accounting for a merger, and the purchase accounting method to accounting for an acquisition, and clarifies the valuation basis to be used in determining the values of the assets and liabilities acquired. In addition, this guidance makes provisions related to goodwill fully applicable to not-for-profit entities. Effective January 1, 2010, PH adopted this guidance and ceased amortization of goodwill and indefinite lived intangible assets at that date. A transitional impairment test was performed as of January 1, 2010, and no impairment was indicated. All business combinations that occurred during the year ended December 31, 2010, were deemed to be acquisitions and were accounted for in accordance with this guidance.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

2. Significant Accounting Policies (continued)

In December 2007, the Financial Accounting Standards Board (the FASB) issued accounting guidance related to noncontrolling (minority) interest in a consolidated subsidiary. This guidance, among other matters, requires the recognition of a noncontrolling interest as net assets in the consolidated financial statements and separate from the parent's net assets. The amount of net income (loss) attributable to the noncontrolling interest is included in consolidated excess (deficiency) of revenues over expenses in the consolidated statements of operations and changes in net assets. PH adopted the guidance on January 1, 2010, and reclassified amounts from other liabilities to unrestricted net assets, which results in the presentation of \$14,350 of noncontrolling interests at December 31, 2009. PH attributed income of \$8,623 and \$9,445 for the twelve months ended December 31, 2010 and 2009, respectively, to the noncontrolling interests based on the ownership percentage of the noncontrolling interests in certain of PH's consolidated subsidiaries. These amounts are reflected in the unrestricted net assets in the consolidated balance sheets, net of distributions.

In January 2010, accounting guidance was issued to further expand disclosure requirements related to fair value measurements. Additional disclosures under this guidance include disclosing transfers in and out of Level 1 and Level 2 fair value measurements and the reasons for those transfers, valuation techniques, and inputs used to measure Level 2 and Level 3 fair value measurements, and purchases, sales, issuances, and settlements separately within the Level 3 fair value measurements rollforward. PH adopted this guidance effective January 1, 2010, except for the disclosure of rollforward activities for Level 3 fair value measurements, which will become effective for interim and annual periods beginning after December 15, 2010. See Note 4.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

3. Goodwill and Intangible Assets

The following tables summarize goodwill and other intangibles as of December 31, 2010 and 2009

Goodwill balance at January 1, 2009	\$ 22,195
Amortization	(2,474)
Acquisitions	<u>18,908</u>
Goodwill balance at December 31, 2009	38,629
Acquisitions	<u>4,339</u>
Goodwill balance at December 31, 2010	<u><u>\$ 42,968</u></u>

	December 31, 2010		December 31, 2009	
	Original Amount	Accumulated Amortization	Original Amount	Accumulated Amortization
Intangible assets	\$ 3,178	\$ 411	\$ 2,239	\$ 313

Amortization expense of \$98 and \$2,787 was recognized in 2010 and 2009, respectively, and is included in depreciation and amortization expense in the consolidated statements of operations and changes in net assets

During the year ended December 31, 2010, PH acquired several physician groups. The business combinations were recorded using the purchase accounting method. Goodwill of \$4,339 was recognized upon purchase, which represents the excess of purchase price over identifiable assets and liabilities.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

4. Fair Value Measurement

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification defines fair value and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

Certain of PH's financial assets and financial liabilities are measured at fair value on a recurring basis, including money market, fixed income and equity instruments, and interest rate swap contracts. The three levels of the fair value hierarchy and a description of the valuation methodologies used for instruments measured at fair value are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date.

Level 2 – Pricing inputs other than quoted prices included in Level 1 that are either directly observable or that can be derived or supported from observable data as of the reporting date.

Level 3 – Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are not observable from objective sources. In evaluating the significance of inputs, management generally classifies assets or liabilities as Level 3 when their fair value is determined using unobservable inputs that individually, or in the aggregate, represent more than 10% of the fair value of the assets or liabilities. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

4. Fair Value Measurement (continued)

The fair value of financial assets and liabilities measured at fair value on a recurring basis was determined using the following inputs at December 31, 2010

	Total	Level 1	Level 2	Level 3
Assets				
Investments				
Cash and short-term investments	\$ 22,683	\$ 14,975	\$ 7,708	\$ —
U S government and agency obligations	119,503	116,490	3,013	—
Corporate bonds	44,820	—	44,820	—
Mortgage- and asset-backed securities	15,824	—	15,824	—
Domestic equities	63,063	58,149	4,914	—
International equities	29,597	—	29,597	—
Mutual funds				
Equity type	126,441	126,441	—	—
Fixed income type	173,433	—	173,433	—
Real estate held for investment	23,655	—	—	23,655
Total investments	619,019	316,055	279,309	23,655
Deferred compensation plan assets – mutual funds	6,879	6,879	—	—
Interest rate swaps	6,197	—	6,197	—
Collateral from securities lending program – cash and short-term investments	6,318	—	6,318	—
Total assets	\$ 638,413	\$ 322,934	\$ 291,824	\$ 23,655
Liabilities				
Interest rate swaps	\$ (46,390)	\$ —	\$ (46,390)	\$ —
Total liabilities	\$ (46,390)	\$ —	\$ (46,390)	\$ —

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

4. Fair Value Measurement (continued)

The fair value of financial assets and liabilities measured at fair value on a recurring basis was determined using the following inputs at December 31, 2009

	Total	Level 1	Level 2	Level 3
Assets				
Investments				
Cash and short-term investments	\$ 137,233	\$ 112,510	\$ 24,723	\$ —
U S government and agency obligations	206,090	198,383	7,707	—
Corporate bonds	93,245	—	93,245	—
Mortgage- and asset-backed securities	82,040	—	82,040	—
Domestic equities	36,121	36,121	—	—
International equities	20,042	—	20,042	—
Mutual funds	169,185	169,185	—	—
Real estate held for investment	23,322	—	—	23,322
Total investments	767,278	516,199	227,757	23,322
Deferred compensation plan assets – mutual funds	4,332	4,332	—	—
Interest rate swaps	7,955	—	7,955	—
Collateral from securities lending program – cash and short-term investments	19,922	—	19,922	—
Total assets	<u>\$ 799,487</u>	<u>\$ 520,531</u>	<u>\$ 255,634</u>	<u>\$ 23,322</u>
Liabilities				
Interest rate swaps	\$ (30,252)	\$ —	\$ (30,252)	\$ —
Total liabilities	<u>\$ (30,252)</u>	<u>\$ —</u>	<u>\$ (30,252)</u>	<u>\$ —</u>

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

4. Fair Value Measurement (continued)

Certain of PH's investments are made through alternative investments and private investment funds, primarily partnership trusts. PH accounts for its ownership in these funds under the equity method, and as a result, investments totaling \$55,260 and \$52,688 as of December 31, 2010 and 2009, respectively, are excluded from the fair value disclosure. Deferred compensation plan assets are included in other assets in the consolidated balance sheets.

Following is a description of the Corporation's valuation methodologies for assets and liabilities measured at fair value. Fair value for Level 1 is based upon quoted market prices. The fair values of the interest rate swap contracts included in Level 2 are determined based on the present value of expected future cash flows using discount rates appropriate with the risks involved. The fair values of other fixed income securities included in Level 2 are based on quoted market prices for similar assets. The valuations reflect a credit spread adjustment to the LIBOR discount curve in order to reflect the credit value adjustment for nonperformance risk. The credit spread adjustment is derived from other comparably rated entities' bonds priced in the market. Fair value for Level 3 assets, which includes investments in real estate, is based on unobservable market data that includes third-party independent appraisals.

The carrying values for cash and cash equivalents, patient and other accounts receivable, accounts payable and accrued expenses, estimated third-party payor settlements, payable under securities lending agreements, and certain other current assets and liabilities are reasonable estimates of their fair value due to the short-term nature of these financial instruments.

The carrying value of the Corporation's tax-exempt, variable rate, and other debt approximates fair value. The fair value of the fixed rate debt (all of which is tax-exempt) is estimated using discounted cash flow analyses based on the Corporation's current incremental borrowing rates for similar types of borrowing arrangements. The fair value of the Corporation's tax-exempt, fixed rate debt at December 31, 2010 and 2009, was approximately \$331,807 and \$348,243, respectively, compared to book value of \$312,930 and \$322,005, respectively.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

4. Fair Value Measurement (continued)

In December, 2010, it was determined that a condition of impairment existed for certain fixed assets of Parkview Whitley Hospital Operations at the current location will transfer to the new Parkview Whitley Hospital, currently targeted for completion in October 2011, and plans are for the current hospital building to subsequently be razed. The total amount of impairment reported during the year ended December 31, 2010, was \$4,385. The fair value of these assets was estimated based on the present value of the cash flows expected to be generated over the remaining useful life of the related assets, and the impairment reflects the difference between the carrying amount of the assets and estimated fair value. The methodology used to compute the fair value of the impaired assets falls in Level 3 of the fair value hierarchy. The impairment is reported as a reduction to operating income in the consolidated statements of operations and changes in net assets.

The following table is a rollforward of the consolidated balance sheet amounts for financial instruments classified by the Corporation within Level 3 of the valuation hierarchy defined above.

	Financial Assets – Investments in Real Estate	Financial Liabilities – Interest Rate Swaps
Fair value at January 1, 2009	\$ 29.667	\$ (101.204)
Transfers out of Level 3	–	30.252
Purchases	2.698	–
Sales or retirements	(2.606)	11.580
Unrealized (losses) gains included in deficit of revenue over expenses	(6.437)	59.372
Fair value at December 31, 2009	<u>\$ 23.322</u>	<u>\$ –</u>
Fair value at January 1, 2010	\$ 23,322	\$ –
Transfers out of Level 3	–	–
Purchases	447	–
Sales or retirements	–	–
Unrealized losses included in excess of revenue over expenses	(114)	–
Fair value at December 31, 2010	<u>\$ 23,655</u>	<u>\$ –</u>

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

4. Fair Value Measurement (continued)

PH transfers assets and liabilities in and/or out of Level 3 as significant inputs, including performance attributes, used for the fair value measurement to become observable or unobservable

5. Net Patient Care Service Revenue

Certain agreements with third-party payors provide for payments at amounts different from established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare: Certain inpatient care services are paid at prospectively determined rates per discharge based on clinical, diagnostic, and other factors. Certain services are paid based on cost reimbursement methodologies subject to certain limits. Physician services are reimbursed based upon established fee schedules. Outpatient services are reimbursed utilizing prospectively determined rates.

Medicaid: Reimbursements for Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service, or per covered member.

Other: Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Differences between established rates and payment under these agreements are reflected as contractual allowances. PH also recorded traditional charity care revenue foregone of \$47,214 and \$42,011 for the years ended December 31, 2010 and 2009, respectively, as a reduction to net patient service revenue.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

5. Net Patient Care Service Revenue (continued)

Medicare and Medicaid revenue accounted for approximately 41% and 14%, respectively, of charges at established rates for the year ended December 31, 2010, and approximately 42% and 13%, respectively, of charges for the year ended December 31, 2009. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. The Corporation believes that it is in substantial compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of wrongdoing. While no such regulatory inquiries have been made, compliance with health care industry laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that recorded estimated settlements could change. It is also reasonably possible that recorded settlements could change by a material amount in the near term. PH received Medicare and Medicaid settlements and resolutions on prior year filed and appealed cost reports and other matters, which increased net patient service revenue by \$3,060 and \$13,879 in 2010 and 2009, respectively.

Components of accounts receivable at established rates at December 31, 2010 and 2009, include Medicare, 31% and 28%, respectively, Medicaid, 13% and 15%, respectively, commercial insurers, 41% and 43%, respectively, and other, 15% and 14%, respectively. One managed care payor, Wellpoint, Inc., represented 14% of patient accounts receivables at December 31, 2010 and 2009.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

6. Investments

The composition of investments is as follows

	December 31	
	2010	2009
Cash and short-term investments	\$ 22,683	\$ 137,233
Fixed income securities		
U S government and agency obligations	119,503	206,090
Corporate and other bonds	44,820	93,245
Mortgage- and asset-backed securities	15,824	82,040
Domestic equities	63,063	36,121
International equities	29,597	20,042
Mutual funds	299,874	169,185
Hedge funds	55,260	52,688
Real estate held for investment	23,655	23,322
Gross investment	674,279	819,966
Amounts due to brokers	(18,253)	(42,308)
Amounts due from brokers	2,305	34,097
Net investments	<u>\$ 658,331</u>	<u>\$ 811,755</u>

PH's investments are exposed to various kinds and levels of risk. Fixed income securities expose PH to interest rate risk, credit risk, and liquidity risk. As interest rates change, the value of many fixed income securities is affected, particularly those with fixed interest rates. Credit risk is the risk that the obligor of the security will not fulfill its obligation. Liquidity risk is affected by the willingness of market participants to buy and sell given securities.

Equity securities expose PH to market risk, performance risk, and liquidity risk. Market risk is the risk associated with major movements of the equity markets, both foreign and domestic. Performance risk is the risk associated with a particular company's operating performance. Liquidity risk, as previously defined, tends to be higher for international equities and small capitalization equity companies.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

6. Investments (continued)

Hedge funds are not necessarily readily marketable. The funds often employ complex strategies, including short sales on securities and trading on future contracts, options, foreign currency contracts, other derivative instruments, and private equity investments, and the composition of the individual investments within these funds is not readily determinable. The hedge fund investments are partnership interests in limited partnerships. These investments are not publicly traded, and the net asset value (NAV) is based upon information provided by the fund manager. The hedge funds have restrictions on the timing of withdrawals ranging from one to three months, which may reduce liquidity.

The real estate investments present valuation risks, as they are not actively traded, and the value is determined based upon independent third-party appraisals and management estimates. Additionally, these investments present a concentration of risk, as they are held within the same geographic region, Northeast Indiana.

The composition of investment return recognized in the consolidated statements of operations and changes in net assets is as follows:

	Year Ended December 31	
	2010	2009
Investment income		
Unrealized gains on investments, net	\$ 27,686	\$ 114,151
Dividend and interest income	11,547	17,163
Net realized gains (losses) on the sale of investments	6,026	(26,362)
Total investment return	<u>\$ 45,259</u>	<u>\$ 104,952</u>
Included in other revenue	\$ 1,290	\$ 1,977
Included in interest, dividends, and realized gains on sales of investments, net	16,588	(9,489)
Included in unrealized gains on investments, net	27,381	112,464
Total investment return	<u>\$ 45,259</u>	<u>\$ 104,952</u>

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

6. Investments (continued)

Securities Lending

The Corporation participates in securities lending transactions, whereby a portion of its investments are loaned to a broker in return for cash, letters of credit, or U S government securities from the broker as collateral for securities loaned. The Corporation participates in a program with its trustee to reinvest the cash collateral received in other short-term investments. The Corporation earns income on the collateral pledged while related securities are outstanding, but has risk of loss on the collateral received due to the reinvestment program. In the accompanying consolidated balance sheets, the fair value of securities purchased with the cash collateral held for loaned marketable securities was \$6,318 and \$19,922 at December 31, 2010 and 2009, respectively, and is reported as a current asset. A payable for repayment of cash collateral received, upon settlement of the lending arrangement, is reported as other current liabilities of \$7,835 and \$21,821 at December 31, 2010 and 2009, respectively.

7. Property and Equipment

The costs of property and equipment consist of the following:

	December 31	
	2010	2009
Land and improvements	\$ 57,300	\$ 53,700
Buildings	412,245	391,183
Equipment	428,447	393,193
Construction in progress	325,964	107,188
	<u>\$ 1,223,956</u>	<u>\$ 945,264</u>

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

7. Property and Equipment

The cost of commitments to complete construction-in-progress projects is estimated to be \$137,622 at December 31, 2010. Depreciation expense recorded in the consolidated statements of operations and changes in net assets was \$47,074 and \$48,554 at December 31, 2010 and 2009, respectively. Amortization expense on capital leases recorded in the consolidated statements of operations and changes in net assets was \$3,384 and \$4,413 at December 31, 2010 and 2009, respectively. Assets under capital leases at December 31, 2010 and 2009, were \$21,065 and \$23,310, respectively. Accumulated amortization on capital leases at December 31, 2010 and 2009, was \$16,128 and \$16,496, respectively.

8. Long-Term Debt

Long-term debt consists principally of tax-exempt bonds as follows:

Description	Interest Rates	December 31	
		2010	2009
Tax-exempt, variable rate demand bonds			
Series 2010A due through 2040	1.32%	\$ 12,900	\$ —
Series 2009BCD due through 2031	0.29% – 0.32%	223,665	223,665
Series 2007 due through 2032	0.33%	23,145	23,765
Series 2001 due through 2031	0.33% – 0.35%	18,400	19,425
Tax-exempt, fixed rate serial and term bonds			
Series 2009A due through 2031	4.0% – 5.88%	257,620	265,530
Series 1998 due through 2028	4.5% – 5.4%	55,310	56,475
Various notes to banks	Various	24,286	10,601
Mortgages on real estate	Various	12,458	8,793
Other	Various	1,065	112
Capital leases	Various	4,811	6,461
		633,660	614,827
Less unamortized original issue discount		5,319	5,721
		628,341	609,106
Less current portion		32,250	14,100
		\$ 596,091	\$ 595,006

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

The scheduled maturities and mandatory redemptions of long-term debt are as follows

Year ending December 31	
2011	\$ 32,250
2012	16,135
2013	15,325
2014	13,820
2015	13,404
Thereafter	542,726
	<u>\$ 633,660</u>

Total interest paid was approximately \$24,164 in 2010 and \$16,193 in 2009. Interest cost of \$2,558 in 2010 and \$1,903 in 2009 was capitalized as part of the cost of construction.

Obligations Through Use of Master Indenture

PH and PVH have issued tax-exempt revenue, revenue refunding, and variable rate demand bonds through the use of a Master Indenture, as amended and supplemented. The various agreements require PH and PVH not to incur indebtedness secured by an encumbrance and not to mortgage certain facilities except under certain circumstances. The agreements require the maintenance of debt service coverage ratios and contain certain other restrictive covenants.

On May 4, 2010, PH issued \$30,000 of variable rate, tax-exempt private placement bonds using the Master Indenture and through the Indiana Finance Authority. The proceeds of the bonds and certain other funds of PH will be used to finance the construction and furnishing of the new Parkview Whitley Hospital. The funds will be drawn as required through construction. The amount drawn through December 31, 2010, is \$12,900. The bonds bear interest monthly, and interest is paid monthly.

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

In August 2009, PH and PVH issued \$265,530 of fixed rate, tax-exempt revenue bonds (the Series 2009A Bonds), and \$223,665 of variable rate, tax-exempt revenue bonds (the Series 2009B Bonds, the Series 2009C Bonds, and the Series 2009D Bonds), using the Master Indenture and through the Indiana Finance Authority. The proceeds of the bonds were used to refund all but \$19,425 of the outstanding Indiana Health Facility Financing Authority Revenue Bonds, Series 2001A, 2001B, and 2001C (collectively, the Series 2001 Bonds), refund all of the outstanding Indiana Health and Educational Facility Financing Authority Revenue Bonds, Series 2005A and 2005B (collectively, the Series 2005 Bonds), pay certain costs related to the termination of a portion of swaps related to the Series 2001 Bonds, pay costs of issuance and costs of refunding, and to finance, refinance, or reimburse certain costs for capital expenditures at the Parkview Hospital facilities. In conjunction with this refinancing, PH recorded a gain on debt refinancing of \$3,466, which is included in other nonoperating income (expenses) in the consolidated statement of operations and changes in net assets for the year ended December 31, 2009. Interest on the Series 2009A Bonds is paid semiannually. Interest on the Series 2009BCD Bonds bears interest weekly, and interest is paid monthly.

PH entered into three direct-pay Letters of Credit agreements (the LOCs) issued by National City Bank (Series 2009B Bonds), Wells Fargo Bank (Series 2009C Bonds), and Citibank (Series 2009D Bonds) to enhance the marketability of the bonds. Under the terms of the LOCs, if bonds are not successfully remarketed and thereby purchased by the banks, the principal maturities of the bonds purchased are accelerated over the subsequent three-year period commencing at least one year and one day from the draw on the LOC, and PH would pay a defined rate, based on a formula in the agreements, at a minimum rate of 8.5% for the first 90 days after bank purchase and 10.5% thereafter. The current LOCs expire August 26, 2012. At December 31, 2010, all bonds had been successfully remarketed.

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

On March 15, 2007, PLH issued \$24,930 of adjustable rate, tax-exempt revenue bonds. The bonds were issued through the Indiana Health and Education Facility Financing Authority. The proceeds of the Series 2007 Bonds and certain other funds of PLH were used to finance the construction and furnishing of a new hospital facility and to pay financing costs. These Series 2007 Bonds bear interest at a weekly rate, and interest is paid monthly. The Series 2007 Bonds are secured by an irrevocable direct-pay Letter of Credit issued by National City Bank that matures on March 16, 2012. This LOC has a maximum rate of 15%. At December 31, 2010, all bonds had been successfully remarketed. The borrower's obligations under the bond documents are secured by a security interest in and lien upon all of the borrower's real and personal property.

In November 2001, PH and PVH issued \$220,000 of variable rate, tax-exempt auction revenue bonds (the Series 2001 Bonds) using the Master Indenture and through the Indiana Health Facility Financing Authority. These Series 2001 Bonds auction every 28 days. If the auction fails, the interest rate for the next 28-day cycle is the 7-Day AA Composite Commercial Paper Rate times 175%. The bonds have a maximum rate of 15%. Beginning in February 2008 and continuing through December 31, 2010, PH's Series 2001 Bonds failed to attract sufficient bids to be remarketed. As a result of the failed auctions, interest rates are set based upon a formula contained in the bond documents. The interest rate formula is based upon the 7-day AA Composite Commercial Paper rate times a factor. This factor can vary from 125% to 225%, depending upon the credit rating of the bond. The bond rating is equal to the rating of either the insurer of the debt or the issuer, whichever is higher. At December 31, 2010 and 2009, the factor was 175%. The Series 2001 Bonds are secured by a financial guaranty insurance policy provided by Ambac Assurance Corporation (Ambac). Ambac is rated Baa1 by Moody's, while PH has retained its Moody's rating of A1.

In November 1998, PH and PVH issued \$144,610 of fixed rate, tax-exempt revenue bonds (the Series 1998 Bonds) using the Master Indenture through the Hospital Authority of the City of Fort Wayne, Indiana. The Series 1998 Bonds consist of serial and term bonds and require annual principal or mandatory sinking fund redemption, with interest payable semiannually.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Debt Guarantee

At December 31, 2010, the Corporation had guaranteed approximately \$3,473 of certain outstanding debt obligations of unconsolidated entities. If the unconsolidated entities default on their debt obligation, the Corporation would then be responsible for the obligation.

9. Interest Rate Swaps and Other Derivatives

PH utilizes a combination of swap agreements with the objective to mitigate the impact interest rate fluctuations have on its interest payments. PH utilizes fixed payor, fixed spread basis, fixed receiver, and forward fixed payor contracts entered into with various third parties. Interest rate swap contracts between PH and a third party (counterparty) provide for the periodic exchange of payments between the parties based on changes in a defined index and a fixed rate and include counterparty credit risk. This is the risk that contractual obligations of the counterparties will not be fulfilled. Concentrations of credit risk relate to groups of counterparties that have similar economic or industry characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Counterparty credit risk is managed by requiring high credit standards for PH's counterparties. The counterparties to these contracts are financial institutions that carry investment-grade credit ratings. The interest rate swap contracts contain collateral provisions applicable to both parties to mitigate credit risk. PH does not anticipate nonperformance by its counterparties. The fair value of the certain fixed payor and fixed spread basis swaps obligations exceeded contractual thresholds and triggered the necessity of PH to post collateral with the counterparties. Collateral required to be posted by PH totaled \$20,386 and \$3,306 at December 31, 2010 and 2009, respectively, and is included with other assets on the consolidated balance sheets. PH's policy is to present the collateral on a gross basis in the consolidated balance sheets.

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

9. Interest Rate Swaps and Other Derivatives (continued)

The following table is a summary of the outstanding positions under these interest rate swap agreements at December 31, 2010 and 2009

Expiration Date	PH Pays	PH Receives	Notional Amount	
			December 31 2010	December 31 2009
2020 – 2031	(1) 3.47% – 3.71%	67% of one-month LIBOR	\$ 39,550	\$ 40,575
2028 – 2033	(1) 3.26% – 3.48%	62.4% of one-month LIBOR + 0.29% margin	104,175	108,165
2028 – 2033	(2) 3.26% – 3.48%	62.4% of one-month LIBOR + 0.29% margin	75,000	75,000
2011 – 2016	(2) BMA/SIFMA Index	3.61% – 4.0%	90,000	90,000
2037	(1) 3.74%	61.8% of one-month LIBOR + 0.31% margin	149,530	150,000
2014 – 2025	(3) BMA/SIFMA Index	68% of one-month LIBOR + 0.37% – 0.52% margin	180,000	180,000
			<u>\$ 638,255</u>	<u>\$ 643,740</u>

- (1) The objective of these interest swaps is to mitigate interest rate fluctuations and synthetically fix certain variable rate exposure
- (2) The objective of these interest rate swaps is to create a basis swap
- (3) The objective of these interest rate swaps is to take advantage of yield curve differences and mitigate risk on future bond offerings. These interest rate swaps are not associated with outstanding debt.

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

9. Interest Rate Swaps and Other Derivatives (continued)

The fair value of derivative instruments at December 31, 2010 and 2009, is as follows

Derivatives Not Designated as Hedging Instruments	Balance Sheet Classification	December 31 2010	December 31 2009
Interest rate contracts	Other assets	\$ 6,197	\$ 7,955
Interest rate contracts	Other liabilities	(46,390)	(30,252)
Investments	Board-designated debt reserve and capital replacement funds	—	(617)
Total derivatives		<u>\$ (40,193)</u>	<u>\$ (22,914)</u>

The effects of derivative instruments on the consolidated statements of operations and changes in net assets for the years ended December 31, 2010 and 2009, are as follows

Derivatives Not Designated as Hedging Instruments	Location of Gain or Loss on Derivatives Recognized in Excess of Revenues Over Expenses	Amount of Gain or Loss on Derivatives Recognized in Excess of Revenue Over Expenses	
		December 31	
		2010	2009
Interest rate contracts – Unrealized gains (losses)	Realized and unrealized (losses) gains on interest rate swaps, net	\$ (17,880)	\$ 72,974
Interest rate contracts – Realized losses	Realized and unrealized (losses) gains on interest rate swaps, net	–	(11,580)
Interest rate contracts – Net cash payments	Other – nonoperating	(1,466)	(12,899)
Investments	Realized and unrealized gains on investments, net	403	2,715
Total derivatives		\$ (18,943)	\$ 51,210

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

9. Interest Rate Swaps and Other Derivatives (continued)

Interest rate swap settlement payments, net were \$7,670 in 2010, of which \$6,204 was capitalized as part of the cost of construction

10. Pension Plans

Defined-Benefit Pension Plan

The Corporation sponsors a noncontributory, defined-benefit pension plan (the Plan) covering eligible employees employed prior to January 2005. Plan benefits are based on years of service and an employee's compensation during a consecutive five-year term of employment within the 10 years prior to benefit determination, which results in the highest earnings. An employee became a plan participant upon reaching age 21 and completing at least one year of eligible service. A year of eligible service is credited to an employee upon the completion of at least 1,000 hours of service in a calendar year. The Corporation's funding policy is to contribute annually the amount necessary to fully fund the Plan's Accumulated Benefit Obligation (ABO).

The following table sets forth the funded status of the Plan and accrued pension obligation as of December 31, as actuarially determined:

	December 31	
	2010	2009
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	\$ 259,842	\$ 257,279
Service cost	7,605	8,343
Interest cost	15,836	14,709
Actuarial loss (gain)	17,427	(14,426)
Benefits paid	(6,977)	(6,063)
Projected benefit obligation at end of year	293,733	259,842
Change in plan assets		
Plan assets at fair value at beginning of year	236,554	176,482
Actual return on plan assets	32,651	43,635
Corporation and subsidiary contributions	20,300	22,500
Benefits paid	(6,977)	(6,063)
Plan assets at fair value at end of year	282,528	236,554
Funded status of the Plan	\$ (11,205)	\$ (23,288)

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

10. Pension Plans (continued)

	Year Ended December 31	
	2010	2009
Items not yet recognized as a component of net periodic pension cost		
Net actuarial loss	\$ 69,268	\$ 72,401
Prior service cost	452	628
	<u>\$ 69,720</u>	<u>\$ 73,029</u>

Changes in plan assets and benefit obligation recognized in unrestricted net assets during 2010 and 2009 include

	Year Ended December 31	
	2010	2009
Unrecognized actuarial loss (gain)	\$ 3,067	\$ (41,167)
Amortization of actuarial loss	(6,200)	(6,443)
Amortization of prior service cost	(176)	(176)
	<u>\$ (3,309)</u>	<u>\$ (47,786)</u>

The actuarial loss and prior service cost included in unrestricted net assets and expected to be recognized in the net periodic pension cost during the year ended December 31, 2011, total \$5,263 and \$176, respectively

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

10. Pension Plans (continued)

	Year Ended December 31	
	2010	2009
Periodic benefit cost		
Service cost	\$ 7,605	\$ 8,343
Interest cost	15,836	14,709
Expected return on plan assets	(18,271)	(16,894)
Amortization of unrecognized net loss	6,200	6,443
Amortization of unrecognized prior service cost	176	176
Net periodic benefit cost	<u>\$ 11,546</u>	<u>\$ 12,777</u>
	December 31	
	2010	2009
Accumulated benefit obligation	\$ 267,476	\$ 233,762
Plan assets at fair market value	282,528	236,554
Funded status (based on accumulated benefit obligation)	<u>\$ 15,052</u>	<u>\$ 2,792</u>

The weighted-average assumptions used to determine benefit obligations at December 31 and net periodic benefit costs for the years then ended are as follows

	2010	2009
Assumptions – benefit obligations		
Discount rate	5.69%	6.18%
Expected return on plan assets	8.00	8.00
Rate of compensation increase	3.50	3.50
Assumptions – net periodic benefit cost		
Discount rate	6.18%	5.79%
Expected return on plan assets	8.00	8.00
Rate of compensation increase	3.50	3.50

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

10. Pension Plans (continued)

The amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the Plan. The reduction in the discount rate between years resulted in an increase in the pension benefit obligation of \$19,967.

The principal long-term determinant of a portfolio's investment return is its asset allocation. The Plan's allocation is weighted toward growth assets (59%) versus fixed income (41%). In addition, management believes its active strategies have added value relative to passive benchmark returns. The expected long-term rate of return assumption is based on the mix of assets in the Plan, the long-term earnings expected to be associated with each asset class, and the additional return expected through active management. This assumption is periodically benchmarked against peer plans.

The Plan's weighted-average asset allocations at December 31, 2010 and 2009, by asset category, are as follows:

	<u>2010</u>	<u>2009</u>
Equity securities	59%	54%
Debt securities	39	42
Short-term investments	2	4
Total	<u>100%</u>	<u>100%</u>

The Corporation's policy on investment allocation for the Plan consists of an allocation of 40% to 70% for growth investments and 30% to 60% for fixed income investments. Within the growth investment classification, the Plan's asset strategy encompasses equity and equity-like instruments that are of both public and private market investments. These equity and equity-like instruments are public equity securities that are well diversified and invested in U.S. and international companies.

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

10. Pension Plans (continued)

The fair value of pension plan assets was determined using the following inputs at December 31, 2010

	Fair Value	Fair Value Measurements Using:		
		(Level 1)	(Level 2)	(Level 3)
Mutual funds	\$ 275,591	\$ 235,021	\$ 40,570	\$ —
Guaranteed investment contract	6,937	—	—	6,937
	<u>\$ 282,528</u>	<u>\$ 235,021</u>	<u>\$ 40,570</u>	<u>\$ 6,937</u>

Fair value methodologies for Level 1 and Level 2 investments are consistent with the inputs described in Note 3. The fair value of the Level 3 interest in the guaranteed investment contract (GIC) is based on information reported by the issuer of the GIC at year-end.

The fair value of pension plan assets was determined using the following inputs at December 31, 2009

	Fair Value	Fair Value Measurements Using:		
		(Level 1)	(Level 2)	(Level 3)
Mutual funds	\$ 227,942	\$ 197,827	\$ 30,115	\$ —
Guaranteed investment contract	8,612	—	—	8,612
	<u>\$ 236,554</u>	<u>\$ 197,827</u>	<u>\$ 30,115</u>	<u>\$ 8,612</u>

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

10. Pension Plans (continued)

The following table is a rollforward of the pension plan assets classified within Level 3 of the valuation hierarchy

	Financial Assets – GIC
Fair value at January 1, 2009	\$ 9,605
Purchases, issuances, and settlements	(1,406)
Actual return on plan assets	413
Fair value at January 1, 2010	<u>8,612</u>
Purchases, issuances, and settlements	<u>(2,003)</u>
Actual return on plan assets	<u>328</u>
Fair value at December 31, 2010	<u><u>\$ 6,937</u></u>
Estimated future benefit payments	
2011	\$ 8,537
2012	9,555
2013	10,761
2014	12,141
2015	13,628
2016-2019	94,475

The Corporation expects to contribute \$10,000 to its defined-benefit pension plan in 2011

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

10. Pension Plans (continued)

Defined-Contribution and Other Pension Plans

Eligible employees hired after December 31, 2004, and employees who were active at December 31, 2004, and elected at that time to participate in the defined-contribution plan and freeze their benefits in the defined-benefit plan, participate in the defined-contribution plan. The accrued liability for the defined-contribution pension plan is \$9,915 and \$7,139 at December 31, 2010 and 2009, respectively, and is recorded as a current liability on the consolidated balance sheets. During 2010 and 2009, expense for this plan totaled \$9,005 and \$7,195, respectively, and is reported as salaries and benefits.

Contributions to the tax-sheltered annuity and 401(k) plans are based on a percentage of eligible employee salaries, as defined. The contributions for the tax-shelter annuity and 401(k) plans were \$5,741 and \$5,160 in 2010 and 2009, respectively, and were reported as salaries and benefits.

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

11. Commitments and Contingencies

Certain property and equipment is leased using noncancelable operating lease arrangements. Rental expense associated with the operating leases was \$16,234 and \$10,600 for the years ended December 31, 2010 and 2009, respectively. The leases expire in various years through 2020. Future minimum lease payments required under noncancelable operating leases for property and equipment as of December 31, 2010, are as follows:

Year Ending December 31	Operating Leases	Capital Leases
2011	\$ 4,959	\$ 1,934
2012	4,205	1,330
2013	3,660	1,275
2014	3,282	705
2015	3,195	6
Thereafter	18,477	—
Total minimum lease payments	<u>\$ 37,778</u>	5,250
Less amount representing interest		439
Present value of net minimum lease payments		<u>\$ 4,811</u>

12. Functional Expenses

The Corporation, as an integrated health care delivery system, provides and manages the health care needs of its patients and members. Aggregate direct expenses for these services as a percent of total expenses were approximately 87% and 88% for the years ended December 31, 2010 and 2009, respectively.

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

13. Indiana Medicaid Disproportionate Share

Under Indiana law (IC 12-15-16 (1-3)), health care providers qualifying as State of Indiana Medicaid Acute Disproportionate Share and Medicaid Safety Net Hospitals (DSH providers) are eligible to receive Indiana Medicaid Disproportionate Share (State DSH) payments. The amount of these additional DSH funds is dependent on regulatory approval by agencies of the federal and state governments and is determined by the level, extent, and cost of uncompensated care (as defined) and various other factors. DSH payments by the state of Indiana are paid according to the fiscal year of the state, which ends on June 30 of each year, and are based on the cost of uncompensated care provided by the DSH providers during their respective fiscal year ended during the state fiscal year.

In 2009, PH recognized income of \$18,510 from Indiana Supplemental Partial Payment to Privately Owned Hospitals payments, which pertained to state fiscal year 2009. As a result of these payments, PH recorded a favorable change in estimate of \$9,255 in 2009.

In 2010, PH recognized income of \$2,353 from Indiana Supplemental Partial Payment to Privately Owned Hospitals payments, which pertained to state fiscal year 2010. PH recorded a favorable change in estimate of \$1,442 in 2010.

The State DSH payments to Parkview Huntington, Parkview Noble, and Parkview Hospital are included in the consolidated statements of operations and changes in net assets when notified by the state of Indiana and applied to the most recent year for which audited financial statements have not been issued. The following summary of Parkview Health gives effect to using historical information to report the State DSH revenue recognized by Parkview Health and the state fiscal year to which the revenue relates.

At December 31, 2010 and 2009, PH recorded State DSH payments receivable of \$0.

14. Subsequent Events

PH evaluated events and transactions occurring subsequent to December 31, 2010 through April 26, 2011, the date the consolidated financial statements were issued. During this period, there were no subsequent events that required recognition or disclosure in the consolidated financial statements.

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