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Form **990**
 Department of the Treasury
 Internal Revenue Service

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

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

OMB No 1545-0047
2010
Open to Public Inspection

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

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES		D Employer identification number 35-0895832	
	Doing Business As		E Telephone number (812) 265-5211	
	Number and street (or P O box if mail is not delivered to street address) ONE KINGS DAUGHTERS DRIVE	Room/suite	G Gross receipts \$ 141,510,592	
	City or town, state or country, and ZIP + 4 MADISON, IN 47250			
F Name and address of principal officer STEVE MEACHAM ONE KINGS DAUGHTERS DRIVE MADISON, IN 47250		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶		
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: ▶ WWW.KDHHS.ORG				
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation 1899	M State of legal domicile IN

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities THE MISSION OF THE HOSPITAL IS TO IMPROVE THE HEALTH OF THE HOSPITAL'S PATIENTS THROUGH CARE, SERVICE, AND EDUCATION		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	11
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	1,071
	6 Total number of volunteers (estimate if necessary)	6	110
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	51,520
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	234,056	111,292
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	112,523,063	111,975,580
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-910,384	1,926,894
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	112,196,332	114,396,901
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	39,041	90,566
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	60,951,495	61,651,819
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	45,677,505	45,965,238
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	106,668,041	107,707,623
19 Revenue less expenses Subtract line 18 from line 12	5,528,291	6,689,278	
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	128,221,022	222,731,294
	21 Total liabilities (Part X, line 26)	24,103,683	108,562,005
22 Net assets or fund balances Subtract line 21 from line 20	104,117,339	114,169,289	

Part II Signature Block

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

Sign Here	***** Signature of officer	2011-09-23 Date			
	STEVE MEACHAM VP OF FINANCE Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name CARRIE A MERRILL CPA	Preparer's signature CARRIE A MERRILL CPA	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ BLUE & CO LLC				Firm's EIN ▶
	Firm's address ▶ 2650 EASTPOINT PKY LOUISVILLE, KY 40223				Phone no ▶ (502) 992-3500

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III Yes No

1 Briefly describe the organization's mission

THE MISSION OF THE HOSPITAL IS TO IMPROVE THE HEALTH OF THE HOSPITAL'S PATIENTS THROUGH CARE, SERVICE, AND EDUCATION

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses \$ 92,832,840 including grants of \$) (Revenue \$ 111,992,163)

THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES IS A NOT-FOR-PROFIT, ACUTE CARE HOSPITAL OWNED BY THE BETHANY CIRCLE OF KING'S DAUGHTERS' OF MADISON, INDIANA, INC , LOCATED IN MADISON, INDIANA THE HOSPITAL IS ORGANIZED FOR THE PURPOSE OF PROVIDING HEALTHCARE SERVICES TO THE RESIDENTS OF JEFFERSON COUNTY AND THE SURROUNDING AREA DURING CALENDAR YEAR 2010, THE HOSPITAL PROVIDED HEALTHCARE TO PATIENTS AT THE FOLLOWING LEVELS 12,702 DAYS OF CARE TO ACUTE INPATIENTS926 DAYS OF CARE TO NEWBORN INFANTS172,276 VISITS ASSOCIATED WITH HOSPITAL OUTPATIENTS131,434 VISITS ASSOCIATED WITH PHYSICIAN CLINICS

4b (Code) (Expenses \$ 3,373,317 including grants of \$) (Revenue \$)

THE HOSPITAL'S PRIMARY SOURCES OF SUPPORT ARE FROM PATIENT REVENUES PATIENT REVENUES INCLUDE FUNDS RECEIVED FROM MEDICARE, STATE AGENCIES, INSURANCE COMPANIES, AND THE PATIENTS THEMSELVES IN 2010, THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES PROVIDED \$3,373,317 IN CARE TO PATIENTS WHO MET THE HOSPITAL'S CHARITY CARE POLICY

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

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 96,206,157

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)? <i>If "Yes," complete Schedule A.</i> <input checked="" type="checkbox"/>	Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? <input checked="" type="checkbox"/>	Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule C, Part II.</i> <input checked="" type="checkbox"/>	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? <i>If "Yes," complete Schedule C, Part III.</i>		
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? <i>If "Yes," complete Schedule D, Part I.</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule D, Part II.</i> <input checked="" type="checkbox"/>		No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule D, Part IV.</i> <input checked="" type="checkbox"/>		No
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> <input checked="" type="checkbox"/>	Yes	
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> <input checked="" type="checkbox"/>	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? <i>If "Yes," complete Schedule D, Part VII.</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule D, Part VIII.</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule D, Part IX.</i> <input checked="" type="checkbox"/>		No
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>	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)? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>		No
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> <input checked="" type="checkbox"/>		No
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> <input checked="" type="checkbox"/>	Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		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? <i>If "Yes," complete Schedule F, Parts I and IV.</i>		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? <i>If "Yes," complete Schedule F, Parts II and IV.</i>		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? <i>If "Yes," complete Schedule F, Parts III and IV.</i>		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? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>		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? <i>If "Yes," complete Schedule G, Part II.</i>		No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		No
20a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> <input checked="" type="checkbox"/>	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)		No

Part IV Checklist of Required Schedules *(continued)*

21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> <input checked="" type="checkbox"/>	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> <input checked="" type="checkbox"/>	22		No
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> <input checked="" type="checkbox"/>	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> <input checked="" type="checkbox"/>	24a	Yes	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> <input checked="" type="checkbox"/>	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> <input checked="" type="checkbox"/>	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> <input checked="" type="checkbox"/>	26	Yes	
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> <input checked="" type="checkbox"/>	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> <input checked="" type="checkbox"/>	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> <input checked="" type="checkbox"/>	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> <input checked="" type="checkbox"/>	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> <input checked="" type="checkbox"/>	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> <input checked="" type="checkbox"/>	34	Yes	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		No
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> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
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> <input checked="" type="checkbox"/>	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> <input checked="" type="checkbox"/>	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

Table with columns for question number, question text, and Yes/No response. Includes rows for backup withholding (1a, 1b), employee reporting (2a, 2b), unrelated business income (3a, 3b), foreign accounts (4a, 4b), prohibited tax shelter transactions (5a, 5b, 5c), solicitations (6a, 6b), and various other organizational requirements (7a-7h, 8, 9a, 9b, 10a, 10b, 11a, 11b, 12a, 12b, 13a, 13b, 13c, 14a, 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 11		
b	Enter the number of voting members included in line 1a, above, who are independent		
	1b 9		
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?		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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Does the organization have members or stockholders?	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	Yes	
b	Each committee with authority to act on behalf of the governing body?	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		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?		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?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	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	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	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	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	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	Yes	
b	Other officers or key employees of the organization		No
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> DAWN NUNAN DIRECTOR OF ACCOUNTING ONE KINGS DAUGHTERS DRIVE MADISON, IN 47250 (812) 265-0193

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

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) LESLIE GROTE BOARD CHAIRMAN	1 00	X		X			5,500	0	0	
(2) MAUREEN GETZ BOARD VICE CHAIRMAN	1 00	X		X			3,250	0	0	
(3) PAULA HEIDERMAN BOARD SECRETARY	1 00	X		X			2,750	0	0	
(4) JEAN DONNELLO BOARD ASS'T SECRETARY	1 00	X		X			1,500	0	0	
(5) LINDA SLOFFER BOARD TREASURER	1 00	X		X			3,000	0	0	
(6) JENNIFER JOAS BOARD ASS'T TREASURER	1 00	X		X			1,250	0	0	
(7) TONY WALTZ BOARD MEMBER	1 00	X					1,500	0	0	
(8) PAM KIMMEL BOARD MEMBER	1 00	X					1,250	0	0	
(9) MARY BETTE VOYLES BOARD MEMBER	1 00	X					0	0	0	
(10) EILEEN MCGARVEY MD BOARD MEMBER/PHYSICIAN	40 00	X					392,575	0	22,345	
(11) PAT STACK MD BOARD MEMBER/PHYSICIAN	40 00	X					217,694	0	32,233	
(12) ROGER ALLMAN PRESIDENT/CEO	40 00			X			325,430	0	34,052	
(13) STEVE MEACHAM VP FINANCE	40 00			X			196,470	0	27,141	
(14) MIKE BURNETT VP PHYSICIAN PRACTICES	40 00			X			150,393	0	22,601	
(15) LARRY KEITH VP SUPPORT/CORP COMPLIANCE	40 00			X			127,028	0	20,916	
(16) LISA MORGAN VP PATIENT SERVICES	40 00			X			125,540	0	19,221	

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) CARL RISK VP CLINICAL SERVICES	40 00			X				109,780	0	18,618
(18) THOMAS ECKERT MD EMPLOYED PHYSICIAN	40 00					X		757,379	0	33,810
(19) GIL WEIZER MD EMPLOYED PHYSICIAN	40 00					X		545,303	0	34,030
(20) PAUL ROSENBERG MD EMPLOYED PHYSICIAN	40 00					X		540,266	0	33,799
(21) WILLIAM SKILES MD EMPLOYED PHYSICIAN	40 00					X		530,537	0	28,425
(22) ROBERT LEATHERMAN MD EMPLOYED PHYSICIAN	40 00					X		522,366	0	34,420
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								4,560,761	0	361,611

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 **61**

	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>		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	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>		No

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ARTEKNA DESIGN 321 E NEW YORK STREET INDIANAPOLIS, IN 46204	ARCHITECTURE SERVICES	1,498,981
MADISON CATHETERIZATION SERVICES ONE KINGS DAUGHTERS DRIVE MADISON, IN 47250	CARDIAC CATHETERIZATION SERVICES	566,002
MAYO COLLABORATIVE SERVICES PO BOX 9146 MINNEAPOLIS, MN 554809146	LABORATORY SERVICES	476,682
BLUE & CO LLC 2650 EASTPOINT PARKWAY STE 300 LOUISVILLE, KY 40223	AUDITING AND CONSULTING SERVICES	472,859
SOUTHEASTERN EMERGENCY PHYSICIANS INC PO BOX 634850 CINCINNATI, OH 45263	CONTRACTED PHYSICIAN MEDICAL SERVICES	352,577

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 **13**

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a					
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations 1d					
	e Government grants (contributions) 1e			68,700		
	f All other contributions, gifts, grants, and similar amounts not included above 1f			42,592		
	g Noncash contributions included in lines 1a-1f \$			10,001		
	h Total. Add lines 1a-1f		111,292			
	Program Service Revenue	2a NET PATIENT SERVICE RE	Business Code 621110	111,975,580	111,924,060	51,520
b _____						
c _____						
d _____						
e _____						
f All other program service revenue						
g Total. Add lines 2a-2f			111,975,580			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts)		1,718,531		1,718,531	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6a Gross Rents	(i) Real	66,797			
		b Less rental expenses	69,241			
		c Rental income or (loss)	-2,444			
		d Net rental income or (loss)		-2,444	-2,444	
	7a Gross amount from sales of assets other than inventory	(i) Securities	27,243,413			
		(ii) Other	9,400			
		b Less cost or other basis and sales expenses	27,027,536			
		c Gain or (loss)	215,877			
	d Net gain or (loss)		208,363		208,363	
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a						
	b Less direct expenses b					
	c Net income or (loss) from fundraising events					
9a Gross income from gaming activities See Part IV, line 19 a						
	b Less direct expenses b					
	c Net income or (loss) from gaming activities					
10a Gross sales of inventory, less returns and allowances a						
	b Less cost of goods sold b					
	c Net income or (loss) from sales of inventory					
11a CAFETERIA REVENUE	Business Code 722210	219,564			219,564	
	b GIFT SHOP	453220	95,468		95,468	
	c OTHER	621110	36,672	36,672		
	d All other revenue		33,875	33,875		
	e Total. Add lines 11a-11d		385,579			
12 Total revenue. See Instructions		114,396,901	111,992,163	51,520	2,241,926	

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	90,566	90,566		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	1,862,037	1,489,630	372,407	
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	47,326,313	42,287,648	5,038,665	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,951,337	2,656,203	295,134	
9	Other employee benefits	6,445,919	5,801,327	644,592	
10	Payroll taxes	3,066,213	2,759,592	306,621	
a	Fees for services (non-employees)				
	Management				
b	Legal	214,187		214,187	
c	Accounting	755,517		755,517	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	271,595		271,595	
g	Other				
12	Advertising and promotion	70,987	63,888	7,099	
13	Office expenses	1,720,289	1,410,637	309,652	
14	Information technology	376,769	339,092	37,677	
15	Royalties				
16	Occupancy	1,517,256	1,365,530	151,726	
17	Travel	165,416	148,874	16,542	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	601,187	541,068	60,119	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	4,934,236	4,440,812	493,424	
23	Insurance	1,301,390	1,171,251	130,139	
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	BAD DEBTS	13,575,949	13,575,949		
b	DRUGS	6,298,600	6,298,600		
c	SUPPLIES	4,984,093	4,236,479	747,614	
d	PURCHASED SERVICES	4,865,536	4,378,982	486,554	
e	OFFICE COLLECTIONS	536,524	482,872	53,652	
f	All other expenses	3,775,707	2,667,157	1,108,550	
25	Total functional expenses. Add lines 1 through 24f	107,707,623	96,206,157	11,501,466	0
26	Joint costs. Check here <input 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		1	
	2 Savings and temporary cash investments	20,728,378	2	8,699,077
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	11,745,113	4	11,212,808
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	362,960	5	324,614
	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	418,152	7	556,234
	8 Inventories for sale or use	1,889,855	8	1,970,608
	9 Prepaid expenses and deferred charges	1,074,678	9	1,038,484
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	96,755,971		
	b Less accumulated depreciation	54,429,002	37,055,155	10c 42,326,969
	11 Investments—publicly traded securities	52,427,631	11	153,056,023
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	2,519,100	15	3,546,477
16 Total assets. Add lines 1 through 15 (must equal line 34)	128,221,022	16	222,731,294	
Liabilities	17 Accounts payable and accrued expenses	8,021,979	17	8,631,077
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	12,050,000	20	97,853,607
	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	1,328,633	23	925,638
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	2,703,071	25	1,151,683
	26 Total liabilities. Add lines 17 through 25	24,103,683	26	108,562,005
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	103,989,784	27	114,032,135
	28 Temporarily restricted net assets	117,555	28	127,154
	29 Permanently restricted net assets	10,000	29	10,000
	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	104,117,339	33	114,169,289	
34 Total liabilities and net assets/fund balances	128,221,022	34	222,731,294	

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	114,396,901
2	Total expenses (must equal Part IX, column (A), line 25)	2	107,707,623
3	Revenue less expenses Subtract line 2 from line 1	3	6,689,278
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	104,117,339
5	Other changes in net assets or fund balances (explain in Schedule O)	5	3,362,672
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	114,169,289

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?		No
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		

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2010

Open to Public Inspection

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

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

Department of the Treasury
Internal Revenue Service

Name of the organization
THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES

Employer identification number
35-0895832

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 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 section 501(c)(3) organization, check this box and stop here 						

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

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

Facts And Circumstances Test

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SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

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

2010

Open to Public Inspection

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

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

Table with 2 columns: Name of the organization (THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES) and Employer identification number (35-0895832)

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?
4a Was a correction made?
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 function 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?
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization

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 border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%; text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <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> </tbody> </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		8,245
j Total lines 1c through 1i			8,245
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 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	PORTION OF INDIANA HOSPITAL ASSOCIATION DUES ATTRIBUTABLE TO LOBBYING EXPENSES AS DEFINED BY FEDERAL LAW

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2010

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES

Employer identification number 35-0895832

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

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

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

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

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

- 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

Table with 2 columns: Held at the End of the Year. Rows 2a, 2b, 2c, 2d.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
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)?
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

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

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1; (ii) Assets included in Form 990, Part X
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items: a Revenues included in Form 990, Part VIII, line 1; b Assets included in Form 990, Part X

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

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

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

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

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

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

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

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

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

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	127,555	89,334	105,321		
b Contributions	62,386	84,150	20,051		
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs	52,787	45,929	36,038		
f Administrative expenses					
g End of year balance	137,154	127,555	89,334		

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

- a** Board designated or quasi-endowment
- b** Permanent endowment 7 000 %
- c** Term endowment 93 000 %

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

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

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		5,442,334		5,442,334
b Buildings		42,695,331	26,306,111	16,389,220
c Leasehold improvements		12,960	2,849	10,111
d Equipment		38,568,861	28,120,042	10,448,819
e Other		10,036,485		10,036,485
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c.)				42,326,969

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)		

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

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

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

(a) Description	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
DEFERRED COMPENSATION	851,683
THIRD PARTY PAYABLE	300,000
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	1,151,683

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

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	114,396,901
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	107,707,623
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	6,689,278
4	Net unrealized gains (losses) on investments	4	3,430,252
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-67,580
9	Total adjustments (net) Add lines 4 - 8	9	3,362,672
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	10,051,950

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	117,573,833
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	3,430,252
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	69,241
e	Add lines 2a through 2d	2e	3,499,493
3	Subtract line 2e from line 1	3	114,074,340
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	271,595
b	Other (Describe in Part XIV)	4b	50,966
c	Add lines 4a and 4b	4c	322,561
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	114,396,901

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

1	Total expenses and losses per audited financial statements	1	107,454,303
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	69,241
e	Add lines 2a through 2d	2e	69,241
3	Subtract line 2e from line 1	3	107,385,062
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	271,595
b	Other (Describe in Part XIV)	4b	50,966
c	Add lines 4a and 4b	4c	322,561
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	107,707,623

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
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	INTENT IS TO HOLD THE INVESTMENT IN PERPETUITY PER AUDITED FINANCIAL STATEMENTS, "THE PORTION OF PERPETUAL ENDOWMENT FUNDS THAT IS REQUIRED TO BE RETAINED PERMANENTLY EITHER BY EXPLICIT DONOR STIPULATION OR UPMIFA" IS \$10,000 AT 12/31/2010. TEMPORARILY RESTRICTED NET ASSETS ARE DONOR-RESTRICTED FOR A SPECIFIC USE INCLUDING PRENATAL/POSTNATAL EDUCATION PROGRAM FUND, TOBACCO SETTLEMENT FUND, TEEN EVENT FUND, GIRLS ON THE RUN FUND, AND MAY LIBRARY FUND
PART XI, LINE 8 - OTHER ADJUSTMENTS		MEMBERS' WITHDRAWAL -67,580
PART XII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES 69,241
PART XII, LINE 4B - OTHER ADJUSTMENTS		GRANTS 50,966
PART XIII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES 69,241
PART XIII, LINE 4B - OTHER ADJUSTMENTS		GRANTS 50,966

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 THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES

Employer identification number

35-0895832

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a. 1b If "Yes," is it a written policy? 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. 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. 3a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? 3b Does the organization use FPG to determine eligibility for providing discounted care to low income individuals? 4 Did 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. 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"? 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? 5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? 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? 6a Does the organization prepare a community benefit report during the tax year? 6b If "Yes," did the organization make it available to the public? Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

7 Financial Assistance and Certain Other Community Benefits at Cost

Table with 7 columns: (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. Rows include Financial Assistance at cost, Unreimbursed Medicaid, Unreimbursed costs—other means-tested government programs, Total Financial Assistance and Means-Tested Government Programs, Other Benefits (Community health improvement services, Health professions education, Subsidized health services, Research, Cash and in-kind contributions to community groups), Total Other Benefits, and Total Add lines 7d and 7j.

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			2,703		2,703	0 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total			2,703		2,703	

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?		No
2	Enter the amount of the organization's bad debt expense (at cost)		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	20,755,547
6	Enter Medicare allowable costs of care relating to payments on line 5	20,708,271
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	47,276
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 type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other	

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	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	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 1 MADISON CATHETERIZATION SERVICES LLC	PROVIDES CATHETERIZATION SERVICES	51.000 %	0 %	0 %
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

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? 10

Name
and
address Type of Facility (Describe)

Part VI Supplemental Information

Complete this part to provide the following information

- Required descriptions.** Provide the description required for Part I, Line 3, Part II, Line 3, Part III, Lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19c, 20, and 21
- 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
- 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 the organization's financial assistance policy
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 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 board, use of surplus funds, etc.)
- 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 community served
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	Return/Reference	Explanation
		PART I, LINE 3C THE HOSPITAL USES A SLIDING FEE SCALE ARRANGEMENT TO PROVIDE DISCOUNTED CARE TO PATIENTS WHOSE HOUSEHOLD INCOME IS BELOW 100% OF THE FEDERAL POVERTY GUIDELINES. PATIENTS WITH ANNUAL INCOME EQUAL TO 0-150% OF FPG = 100% WRITEOFF INCOME EQUAL TO 151-175% OF FPG = 80% WRITEOFF INCOME EQUAL TO 176-200% OF FPG = 60% WRITEOFF INCOME EQUAL TO 201-225% OF FPG = 40% WRITEOFF INCOME EQUAL TO 226-250% OF FPG = 25% WRITEOFF
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), WAS \$7 PERIOD ENDING 12/31/2007. THE PERCENTAGE IN THIS COLUMN IS \$13527949
		PART II NA
		PART III, LINE 4 PATIENT ACCOUNTS RECEIVABLE AND NET PATIENT SERVICE REVENUE FROM HOSPITAL AGREEMENTS WITH THIRD-PARTY PAYORS THAT PROVIDE FOR PAYMENTS TO THE HOSPITAL AT AMOUNTS DIFFERENT FROM ITS ESTABLISHED RATES. PATIENT ARRANGEMENTS INCLUDE PROSPECTIVELY DETERMINED RATES DISCOUNTED TO PATIENTS WHOSE HOUSEHOLD INCOME IS BELOW 100% OF THE FEDERAL POVERTY GUIDELINES. PATIENT ACCOUNTS RECEIVABLE AND NET PATIENT SERVICE REVENUE ARE REPORTED AT THE ESTIMATED NET REALIZABLE AMOUNTS. NET PATIENT SERVICE REVENUE FROM HOSPITAL AGREEMENTS WITH THIRD-PARTY PAYORS, AND OTHERS FOR SERVICES RENDERED, INCLUDING ESTIMATED RETROACTIVE ADJUSTMENTS UNDER REIMBURSEMENT AGREEMENTS WITH THIRD-PARTY PAYORS, RETROACTIVE ADJUSTMENTS ARE REPORTED ON AN ESTIMATED BASIS IN THIS COLUMN AND THE RELATED SERVICES ARE RENDERED AND ADJUSTED IN FUTURE PERIODS AS FINAL SETTLEMENTS ARE DETERMINED. ALLOWANCES FOR PATIENT UNCOLLECTIBLE ACCOUNTS - THE HOSPITAL ESTIMATES ALLOWANCES FOR UNCOLLECTIBLE PATIENT ACCOUNTS RECEIVABLE BASED ON AN EVALUATION OF THE AGING OF THE ACCOUNTS, HISTORICAL LOSSES, CURRENT ECONOMIC CONDITIONS, AND OTHER FACTORS. THE COSTING METHOD USED TO DETERMINE THE AMOUNTS REPORTED ON LINE 2 IS APPLICATION OF THE COST-TO-CHARGE RATIO (AS COMPUTED PER WORKSHEET 2 IN 990). THE HOSPITAL HAS A DETAILED FINANCIAL ASSISTANCE POLICY WHICH STATES THAT TO PARTICIPATE IN CHARITY CARE, CANDIDATES MUST COOPERATE FULLY. IN ADDITION, THE HOSPITAL EDUCATES PATIENTS WITH FINANCIAL NEEDS TO PAY REGARDING FINANCIAL ASSISTANCE. FOR THESE REASONS, THE HOSPITAL BELIEVES THAT IT ACCURATELY CAPTURES ALL CHARITY CARE DEDUCTIONS PROVIDED ACCORDING TO THE FINANCIAL ASSISTANCE POLICY, AND THE AMOUNT OF NET DEBT ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IS NEGLIGIBLE
		PART III, LINE 8 THE HOSPITAL DETERMINED AMOUNTS FROM DATA SUBMITTED IN ITS 2010 MEDICARE COST REPORT
KDHS		PART III, LINE 9B NA
		PART V, SECTION B, LINE 1J THE NEEDS ASSESSMENT PERFORMED BY THE HOSPITAL ALSO EXPLORES KEY ISSUES SUCH AS PHYSICAL ACTIVITY, OVERWEIGHT AND OBESITY, TOBACCO USE, SUBSTANCE ABUSE/GAMBLING/ADDICTIONS, RESPONSIBLE SEXUAL BEHAVIOR, MENTAL HEALTH, INJURY AND VIOLENCE (INCLUDING DOMESTIC VIOLENCE AND SEXUAL ASSAULT), ENVIRONMENTAL QUALITY, IMMUNIZATION, ACCESS TO HEALTH CARE FOR THE INSURED AND UNINSURED, MATERNAL AND CHILD HEALTH, INFECTIOUS DISEASE, OCCUPATIONAL AND SAFETY HEALTH - SPECIAL NEEDS/DISABLED/IMPAIRED, AND CHRONIC DISEASE
KDHS		PART V, SECTION B, LINE 3 THE FACILITY TOOK INTO ACCOUNT INPUT FROM PERSONS IN THE COMMUNITY BY UTILIZING THE FOLLOWING COMPONENTS - ANALYSIS OF RESIDENTS OF EACH COUNTY AND TO INDICATE, WHERE POSSIBLE FUTURE TRENDS AND TO SHOW COMPARISONS WITH STATE AND NATIONAL DATA, - IN-PERSON INTERVIEWS WITH 30 KEY LEADERS INCLUDING BOARD, STAFF AND MEDICAL STAFF, - IN-DEPTH INTERVIEWS BY TELEPHONE OR IN-PERSON WITH 32 COMMUNITY LEADERS INCLUDING GOVERNMENT, MEDICAL, EDUCATION, AND OTHER COMMUNITY LEADERSHIP POSITIONS IN ALL FIVE COUNTIES, - IN-PERSON SURVEYS OF 72 INDIVIDUALS IN LOW INCOME LOCATIONS, - IN-PERSON DISCUSSIONS WITH 23 SENIOR CITIZENS, - A WEB-BASED SURVEY OPEN TO THE GENERAL PUBLIC WHICH RESULTED IN 61 COMPLETED INTERVIEWS. THIS ASSESSMENT ALLOWED ALL INDIVIDUALS TO PROVIDE RESPONSES ON ANY COMMUNITY NEEDS NOT LISTED IN THE QUESTIONS AND ALLOWED INDIVIDUALS TO MAKE COMMENTS ON COMMUNITY HEALTH ISSUES ON WHICH KDHS COULD HAVE AN IMPACT
KDHS		PART V, SECTION B, LINE 5C RESULTS OF THE NEEDS ASSESSMENT HAVE BEEN MADE AVAILABLE THROUGH A VARIETY OF SOURCES - NEWSPAPER AND RADIO RELEASES, COMMUNITY MEETINGS, AND THROUGH THE COMMUNITY WEBSITE. THE VITAL SIGNS, THROUGH PUBLIC HEALTH FORUMS AND IS ALSO AVAILABLE ON OUR WEB SITE
KDHS		PART V, SECTION B, LINE 7 AS A RESULT OF THE 2010 CHRISTIAN NEEDS ASSESSMENT, KDHS INTENDS TO IDENTIFY GAPS WHICH EXIST BETWEEN THE HOSPITAL'S COMMUNITY INVOLVEMENT AND THE UNFULFILLED NEEDS OF THE COMMUNITY WHICH IT SERVES. THESE NEEDS WERE IDENTIFIED VIA INQUIRIES OF LEADERSHIP MEMBERS WHICH ARE DETAILED AT PART V, LINE 3. THE EXAMPLES OF THESE ARE AS FOLLOWS - THERE DO NOT APPEAR TO BE LARGE GAPS IN THE TOPICS OR TYPES OF COMMUNITY OUTREACH PROGRAMS THAT KDHS HAS ALREADY INITIATED. THE GAPS ARE BELIEVED TO BE DUE TO FUNDING LEVELS OR STAFFING LEVELS IN THE NUMBER OF PROGRAMS AND THE GEOGRAPHIC REACH OF THE PROGRAMS THAT HAVE BEEN OFFERED. - SOME INDIVIDUALS WHO EXISTED IN THE COMMUNITY AS RESIDENTS IN THE COMMUNITY SERVED BY KDHS MAY NOT BE AWARE OF THE EXISTING PROGRAMS AND SERVICES OFFERED AND MAY NOT BE AWARE OF THE LEVEL OF EXPERTISE OR THE STAFF. THESE ARE IDEAS PLANNED, LONG-TERM PUBLIC RELATIONS CAMPAIGN - THE GAPS IN THE CURRENT MEDICAL SERVICE LINES AND THE MEDICAL SPECIALTIES DESIRED ARE WORTH EXPLORE. THE NEEDS ASSESSMENT IDENTIFIED UNEXPRESSED NEEDS AND DOES NOT CONTAIN PATIENT PROJECTION INFORMATION OR FINANCIAL ANALYSIS FOR A BUSINESS CASE ANALYSIS - SEVERAL OF THE TOP MAJOR COMMUNITY HEALTH CONCERNS INVOLVED ADDRESSING THE EDUCATION RELATED ISSUES OF OBESITY, LACK OF PHYSICAL ACTIVITY, AND SMOKING. THESE HEALTH ISSUES LEAD TO CHRONIC DISEASE AND HAVE AN IMPACT ON PATIENTS SERVED BY COMMUNITY SERVICES. THE COMMUNITY LEADERSHIP LEADERS EXPECT KDHS TO TAKE A LEADERSHIP ROLE IN ADDRESSING OVERWEIGHT AND OBESITY AND TOBACCO USE. THOSE IN OUTLYING COUNTIES HAVE ASKED THAT CURRENT KDHS SERVICES AVAILABLE IN JEFFERSON COUNTY BE REPRODUCED IN THEIR OWN COUNTIES OR AT A MINIMUM THAT THE JEFFERSON COUNTY PROGRAMS BE PROMOTED TO CITIZENS IN THESE OTHER COUNTIES FOR THEIR POTENTIAL ATTENDANCE. KDHS SHOULD CONSIDER WHETHER TO PROVIDE SERVICES AT ITS OWN FACILITIES FOR THE COMMUNITY, TOBACCO-FREE CAMPUS, HEALTHY FOOD OFFERINGS IN ITS CAFETERIA, WELLNESS PROGRAM 2. IT SHOULD CONSIDER MAKING IT EASIER FOR PATIENTS TO ACCESS HEALTH CARE PROGRAMS TO EDUCATE INDIVIDUALS ON TOPICS SUCH AS NUTRITION, HEALTHY WEIGHT, HEALTHY EATING, AND EXERCISE - SUBSTANCE ABUSE - PARTICULARLY HEROIC AND PRESCRIPTION DRUGS, AND OTHER TOPIC MAJOR HEALTH CONCERNS ARE GROUPS INTERVIEWED IT IS PREVALENT IN ALL COUNTIES SERVED BY KDHS 1. THE LACK OF SUBSTANCE TREATMENT CENTERS AND MENTAL CARE FACILITIES TO REACH THROUGHOUT THE COMMUNITY IS A MAJOR CONCERN 2. MANY INTERVIEWED FELT THE PUBLIC NEEDS TO BE AWARE OF HOW MUCH OF AN ISSUE SUBSTANCE ABUSE IS IN THE COMMUNITY 3. THE AMOUNT OF SUBSTANCE ABUSE ADDICTED TO METHUETOXINE IS REQUIRED 3. THE NEED FOR FURTHER DRUG EDUCATION IN THE SCHOOLS FROM ELEMENTARY ON UP WAS MENTIONED NUMEROUS TIMES 4. BETTER COMMUNICATION BETWEEN KDHS AND THE LOCAL LEGAL SYSTEM IS NEEDED TO DOCUMENT AND PREVENT OVERDOSE CASES IN THE ER WITH STATISTICS OF THE TYPES OF DRUGS CAUSING THE OVERDOSE (STREET VERSUS PRESCRIPTION) IS THE TYPE OF INFORMATION RELEVANT TO THE LEGAL SYSTEM. ONE OF THE INDIVIDUALS MENTIONED THAT THEY WOULD LIKE TO KNOW FROM THE LEGAL SYSTEM WHEN ONE OF THE DRUGS THEY PRESCRIBED IS INVOLVED IN A CASE 5. THERE IS A NEED FOR A QUARTERLY REPORT ON DRUG DISPOSAL PROGRAM WHERE SUCH DRUGS CAN BE DISPOSED WITH NO QUESTIONS ASKED - WHILE KDHS MAY NOT BE EXPECTED TO TAKE A LEADERSHIP ROLE IN ADDRESSING MENTAL HEALTH ISSUES, IT CANNOT IGNORE THE NEED FOR MENTAL HEALTH SERVICES IN ALL COUNTIES IT SERVES. MANY INTERVIEWED MENTIONED THE NEED FOR AN ON-STAFF PSYCHIATRIST OR AN IMPROVED REFERRAL PROGRAM FOR THOSE WITH MENTAL ILLNESS. KDHS LEADERS INTERVIEWED STRESSED THE HOURS OF OFF TIME THAT IS CURRENTLY SPENT FINDING FACILITIES TO REFER PATIENTS TO WITH OPEN BEDS. THIS ISSUE IS WORTH FURTHER STUDY BY KDHS TO DETERMINE WHAT SUPPORTING ROLE IT CAN PLAY TO THE COMMUNITY IN THIS AREA - ACCESS TO HEALTH CARE SERVICES AS A MAJOR ISSUE BY THOSE RESPONDENTS OF THE WEB-BASED SURVEY AND BY THE LOWER INCOME CATEGORY THERE APPEARS TO BE A NEED TO MAKE INDIVIDUALS WITHIN THE COMMUNITY MORE AWARE OF HEALTH CARE SERVICES AVAILABLE TO THEM RATHER THEY BE INSURED OR UNINSURED. THE VAST MAJORITY OF COMMUNITY LEADERS EXPECT KDHS TO TAKE A LEADERSHIP ROLE IN ACCESS TO HEALTH CARE IN ADDITION TO CONCERNS ABOUT ACCESS FOR LOW-INCOME OR THE UNINSURED OR UNINSURED, THERE ARE SOME CONCERNS ABOUT ACCESS TO 1. GETTING AN APPOINTMENT WITH A PHYSICIAN QUICKLY WHEN NEEDED 2. GETTING INTO THE HOSPITAL THROUGH THE DEPARTMENT QUICKLY 3. EVENING APPOINTMENTS FOR THOSE UNABLE TO LEAVE WORK DURING THE DAY-DUE TO AN AGING WORKFORCE, IT IS ADVISABLE FOR KDHS TO PUT A CONTINGENCY PLAN IN PLACE TO DEAL WITH ITS AGING NURSING WORKFORCE
KDHS		PART V, SECTION B, LINE 17E IN ADDITION TO THE ACTIONS PREVIOUSLY LISTED, A FINANCIAL AID COUNSELOR WILL MEET WITH ANY UNINSURED PATIENTS PRIOR TO DISCHARGE TO DISCUSS THE FINANCIAL ASSISTANCE POLICY
KDHS		PART V, SECTION B, LINE 19D PATIENTS WITHOUT INSURANCE COVERAGE WILL RECEIVE A DISCOUNT BASED ON THE GREATER OF THE FOLLOWING 1) 20% DISCOUNT FROM GROSS CHARGES (WHICH IS GREATER THAN ANY NEGOTIATED COMMERCIAL INSURANCE DISCOUNT FROM CHARGES CONTRACTED) 2) THE APPLICABLE SLIDING FEE SCALE ADJUSTMENT BASED ON THE PATIENT'S COMPLETED FINANCIAL ASSISTANCE APPLICATION
		PART VI, LINE 2 KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES CONDUCTED A COMMUNITY NEEDS ANALYSIS DURING 2010 THAT INVOLVED BOTH ITS PRIMARY SERVICE AREAS (TRIMBLE COUNTY AND SWITZERLAND COUNTY, INDIANA) AND ITS SECONDARY SERVICE AREA (TRIMBLE COUNTY AND CARROLL COUNTY, KENTUCKY). THE LAST TIME A COMMUNITY NEEDS ASSESSMENT WAS CONDUCTED WAS IN 2007. THE FOCUS OF THIS ASSESSMENT WAS ON THE HEALTH NEEDS THAT COULD BE ADDRESSED BY KDHS AND CAN BE USED BY KDHS IN PLANNING FUTURE SERVICES, APPLYING FINANCIAL ASSISTANCE THROUGH OUTREACH EFFORTS. THE STUDY INCLUDED THE FOLLOWING COMPONENTS - ANALYSIS OF SECONDARY DATA TO DEVELOP A PROFILE OF THE RESIDENTS OF EACH COUNTY AND TO INDICATE, WHERE POSSIBLE IN THE TRENDS AND TO SHOW COMPARISONS WITH STATE AND NATIONAL DATA, - IN-PERSON INTERVIEWS WITH 30 KEY LEADERS WITHIN KDHS INCLUDING BOARD, STAFF AND MEDICAL STAFF, - IN-DEPTH INTERVIEWS BY TELEPHONE OR IN-PERSON WITH 32 COMMUNITY LEADERS INCLUDING GOVERNMENT, MEDICAL, EDUCATION, AND OTHER COMMUNITY LEADERSHIP POSITIONS IN ALL FIVE COUNTIES, - IN-PERSON SURVEYS OF 72 INDIVIDUALS IN LOW INCOME LOCATIONS, - IN-PERSON DISCUSSIONS WITH 23 SENIOR CITIZENS, - A WEB-BASED SURVEY OPEN TO THE GENERAL PUBLIC WHICH RESULTED IN 61 COMPLETED INTERVIEWS. - THIS ASSESSMENT ALLOWED ALL INDIVIDUALS TO PROVIDE RESPONSES ON ANY COMMUNITY NEEDS NOT LISTED IN THE QUESTIONS AND ALLOWED INDIVIDUALS TO MAKE COMMENTS ON COMMUNITY HEALTH ISSUES ON WHICH KDHS COULD HAVE AN IMPACT. KEY HEALTH ISSUES EXPLORED WERE THE FOLLOWING - PHYSICAL ACTIVITY, OVERWEIGHT AND OBESITY, TOBACCO USE, SUBSTANCE ABUSE/GAMBLING/ADDICTIONS - RESPONSIBLE SEXUAL BEHAVIOR, MENTAL HEALTH - INJURY AND VIOLENCE (INCLUDING DOMESTIC VIOLENCE AND SEXUAL ASSAULT), ENVIRONMENTAL QUALITY, IMMUNIZATION, ACCESS TO HEALTH CARE FOR THE INSURED AND UNINSURED, MATERNAL AND CHILD HEALTH - INFECTIOUS DISEASE, OCCUPATIONAL AND SAFETY HEALTH - SPECIAL NEEDS/DISABLED/IMPAIRED, AND CHRONIC DISEASE
		PART VI, LINE 3 THE HOSPITAL HAS SIGNAGE WHICH ENCOURAGES PATIENTS TO CONTACT CUSTOMER SERVICE FOR INFORMATION REGARDING BILLS, ELIGIBILITY FOR ASSISTANCE UNDER FEDERAL/STATE FINANCIAL ASSISTANCE PROGRAMS, AND THE HOSPITAL'S CHARITY CARE POLICY. SIGNS ARE POSTED IN SEVERAL AREAS FREQUENTLY ACCESSED BY PATIENTS. DISCUSSIONS REGARDING FINANCIAL ISSUES, AVAILABILITY OF FINANCIAL ASSISTANCE PROGRAMS, AND THE HOSPITAL'S CHARITY CARE POLICY IS MADE AVAILABLE TO PATIENTS UPON REQUEST VIA A BROCHURE WHICH SUMMARIZES THE PROGRAM ELIGIBILITY REQUIREMENTS AND SERVICES. KDHS ALSO PROVIDES ASSISTANCE TO CONTACT CUSTOMER SERVICE REGARDING FINANCIAL AID AND FEDERAL/STATE ASSISTANCE DIRECTLY ON THE PATIENT BILL ITSELF. FURTHER, THE HOSPITAL'S WEBSITE INCLUDES LINKS TO THE FOLLOWING "REQUEST A PRICE ESTIMATE", "ASK A BILLING QUESTION", "VIEW A SAMPLE BILL", "FINANCIAL AID APPLICATION", AND "INSURANCE PROVIDERS"
		PART VI, LINE 4 THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES SERVES THE FOLLOWING AREAS AS ITS PRIMARY AND SECONDARY SERVICE AREAS: TRIMBLE COUNTY, INDIANA, IN POPULATION 33,010 PORTIONS OF RIPLEY COUNTY, PORTIONS OF SWITZERLAND COUNTY, PORTIONS OF TRIMBLE AND CARROLL COUNTIES, KYJEFFERSON COUNTY, INDIANA. JEFFERSON COUNTY IS EXPERIENCING A SLOW GROWTH IN TOTAL POPULATION, CURRENTLY AT 33,010, AND IS EXPERIENCING AN INWARD MIGRATION BY 2020, THE PHYSICIAN CURRENTLY IS 62,029, BUT HIGHER THAN A MEDIAN AGE OF 39.6, A SOMEWHAT OLDER POPULATION THAN THE STATE AVERAGE OF 36.7. THE UNEMPLOYMENT RATE OF 10.6% IS ABOVE THE INDIANA RATE OF 10.1%. THE POPULATION IS FAIRLY HOMOGENEOUS WITH A LARGE CAUCASIAN POPULATION, 85% THE AVERAGE HOUSEHOLD INCOME, OF \$42,646, IS LOWER THAN THAT FOR INDIANA AND THE NATION. IN JEFFERSON COUNTY, ABOUT 13.2% OF THE INDIVIDUALS, OR ABOUT 4,357, LIVE BELOW THE POVERTY LEVEL. SIMILAR TO THE 12.9% POVERTY RATE OF INDIVIDUALS IN INDIANA AND MIRRORING THE 13.2% RATE FOR THE ENTIRE US. 53.9% OF ALL FAMILIES IN JEFFERSON COUNTY ARE SINGLE PARENT FAMILIES WITH 27.6% OF THESE FAMILIES IN POVERTY. IN INDIANA, 32.4% OF ALL FAMILIES ARE SINGLE PARENT FAMILIES WITH 27.6% OF THESE FAMILIES IN POVERTY. JEFFERSON COUNTY RANKS FIRST IN INDIANA IN TERMS OF THE NUMBER OF ACRES DEVOTED TO TOBACCO WITH ANNUAL SALES OF \$1.6 MILLION IN 2007. 30% OF ADULTS IN JEFFERSON COUNTY USE TOBACCO COMPARED TO 23% OF ADULTS LIVING IN THE STATE OF INDIANA. AN ESTIMATED 26.9% OF ADULTS IN JEFFERSON COUNTY CURRENTLY SMOKED. A HIGHER PERCENT THAN INDIANA (4.9% OR THE NATION) 4.5% ACCORDING TO THE INDIANA STATE DEPARTMENT OF HEALTH CARE SERVICES. IN JEFFERSON COUNTY WAS NOT LISTED AS A COUNTY THAT HAD A SHORTAGE OF HEALTH CARE PROFESSIONALS OR OF MENTAL HEALTH PROFESSIONALS. HOWEVER, THE 2009 REPORT LISTS MILTON, SHELBY AND SMYRNA TOWNSHIPS AS MEDICALLY UNDERSERVED. THE PERCENT OF ADULTS WHO ARE MEDICALLY UNDERSERVED IS HIGHER IN JEFFERSON COUNTY, AT 521.6 PER 100,000 POPULATION, THAN FOR INDIANA, AT 479.4 PER 100,000 POPULATION. THE RATE OF LUNG AND BRONCHIAL CANCER IN JEFFERSON COUNTY IS 101.6 PER 100,000 POPULATION. THE RATE OF PROSTATE CANCER IS HIGHER IN JEFFERSON, AT 166.2 PER 100,000 POPULATION THAN IN INDIANA AT 137.5 PER 100,000. THE RATE OF BREAST CANCER IN JEFFERSON IS HIGHER, AT 121.2 PER 100,000 POPULATION THAN FOR INDIANA AT 113.8 PER 100,000 POPULATION. THE RATE OF COLORECTAL CANCER IS LOWER IN JEFFERSON, AT 50.3 PER 100,000, THAN THE NATION AT 52.2 PER 100,000. THE RATE OF ADULT ASTHMA IN JEFFERSON COUNTY, AT 7.13%, IS HIGHER THAN THE RATE FOR INDIANA, AT 6.88%, AS IS THE RATE OF CHRONIC BRONCHITIS (3.4% FOR JEFFERSON AND 2.8% FOR INDIANA) AND PRE-ECLAMPSIA (1.4% FOR JEFFERSON, 1.2% FOR INDIANA). THE PERCENT OF MOTHERS WHO SMOKED DURING PREGNANCY IN JEFFERSON COUNTY IS 25.1% COMPARED TO THE STATE OF INDIANA AVERAGE OF 18.5% IN 2007. THE PERCENT OF LOW-WEIGHT BIRTHS (WEIGHTS BELOW 5.5 POUNDS) IN INDIANA, 21.2%, IS HIGHER THAN THE PERCENT OF MOTHERS WHO SMOKED DURING PREGNANCY IN JEFFERSON COUNTY, THERE WERE 52 TEEN PREGNANCIES IN 2002 AND 46 TEEN PREGNANCIES IN 2007. IN INDIANA, AN OPPOSITE TREND TOOK PLACE - THERE WERE 11,378 TEEN PREGNANCIES IN 2002 AND 11,683 IN 2007. JEFFERSON COUNTY REPORTED 72 NEWLY DIAGNOSED CASES OF CHLAMYDIA IN 2008, AN INCREASE FROM THE 69 REPORTED IN 2007, BUT A DECREASE FROM THE 75 REPORTED IN 2006. THERE WERE 30 CASES OF GONORRHEA AND ONE CASE OF SYPHILIS REPORTED IN JEFFERSON COUNTY IN 2008. THE MOST RECENT INFORMATION FROM THE INDIANA FAMILY AND SOCIAL SERVICE ADMINISTRATION IN 2008 SHOWS 1,324 ADULTS IN JEFFERSON COUNTY WITH SERIOUS MENTAL ILLNESS AND 247 SERIOUSLY EMOTIONALLY DISTURBED CHILDREN. THE RATE OF DEATHS RELATED TO MAJOR CARDIO VASCULAR DISEASE IN JEFFERSON COUNTY DECREASED FROM 2005 - 359.9 PER 100,000 POPULATION IN 2007 - 309.1 PER 100,000 POPULATION. HOWEY THE 309.1 PER 100,000 POPULATION RATE IN 2007 IS HIGHER THAN BOTH THE INDIANA RATE OF 267.2 PER 100,000 AND THE NATIONAL RATE OF 190.9 PER 100,000. THE STROKE DEATH RATE IN JEFFERSON COUNTY AT 3.3 PER 100,000 POPULATION IN 2007, WAS HIGHER THAN THE 44.5 PER 100,000 POPULATION FOR INDIANA AND THE 45.1 PER 100,000 FOR THE NATION. RIPLEY COUNTY - RIPLEY COUNTY HAS A CURRENT POPULATION OF 27,421. THERE IS A NET OUTWARD MIGRATION. BY THE YEAR 2020, THE POPULATION WILL BE ABOUT 29,855. THE POPULATION IS 96.9% CAUCASIAN. THE HOUSEHOLD INCOME IN RIPLEY IS \$51,603 - LOWER THAN THE NATIONAL AVERAGE OF \$42,029, BUT HIGHER THAN THE INDIANA AVERAGE OF \$48,010. THE PERCENT OF FAMILIES BELOW POVERTY IN RIPLEY IS 12.2%, LOWER THAN THE INDIANA AVERAGE OF 15.9% AND THE NATIONAL AVERAGE OF 16.5%. 42.3% OF FAMILIES IN RIPLEY COUNTY ARE SINGLE PARENT FAMILIES WITH 26.8% OF THESE FAMILIES IN POVERTY. IN INDIANA, 32.4% OF ALL FAMILIES ARE SINGLE PARENT FAMILIES WITH 27.6% OF THESE FAMILIES IN POVERTY. THE PERCENT OF THOSE AGE 18+ WHO ARE UNEMPLOYED IS 26%, COMPARED TO 27% FOR INDIANA AND 27.3% FOR THE NATION. IN RIPLEY COUNTY, 2,955 CHILDREN ARE ENROLLED IN HOUSING HEALTHWISE. THE PERCENT OF MOTHER IN RIPLEY COUNTY WHO SMOKED DURING PREGNANCY IS 26.5%, COMPARED TO 18.5% IN INDIANA. THE PERCENT OF LOW BIRTH WEIGHT IN RIPLEY COUNTY IS 6.5%, COMPARED TO 4.5% IN INDIANA. IN RIPLEY COUNTY, THE NUMBER OF TEEN PREGNANCIES (GIRLS 15 TO 19) INCREASED FROM 46 IN 2002 TO 45 IN 2007. THIS REPRESENTS A 8.9% TEEN BIRTH RATE IN RIPLEY, COMPARED TO A 20.8% TEEN BIRTH RATE IN INDIANA. THE MOST RECENT INFORMATION FROM THE INDIANA FAMILY AND SOCIAL SERVICE ADMINISTRATION IN 2008 SHOWS 1,071 ADULTS IN RIPLEY COUNTY WITH SERIOUS MENTAL ILLNESS AND 250 SERIOUSLY EMOTIONALLY DISTURBED CHILDREN. RIPLEY COUNTY DOES NOT HAVE A SHORTAGE OF MENTAL HEALTH CARE PROFESSIONALS. THE TOWNSHIPS OF DELAWARE, UNDERSERVED AND BROWN ARE CONSIDERED MEDICALLY UNDERSERVED. RIPLEY HAS A SHORTAGE OF MENTAL HEALTH PROFESSIONALS. THE RATE OF INDIVIDUALS WITH LUNG CANCER IN RIPLEY WAS 19.7 PER 100,000 POPULATION. THE RATE OF BREAST CANCER IN RIPLEY WAS 129.5 PER 100,000 POPULATION WHICH IS HIGHER THAN INDIANA AT 116.04 AND THE NATION AT 113.8 PER 100,000 POPULATION. RIPLEY COUNTY HAS A POPULATION OF 9,675 AND HAS A SLOW GROWTH RATE OF 0.5 WHICH MIRRORS THAT FOR INDIANA. THERE IS A NET MIGRATION INTO THE COUNTY BY 2020. THE POPULATION WILL BE 11,174. THE ETHNICITY IS 97.6% WHITE. THE UNEMPLOYMENT RATE IS 7.9% IN SWITZERLAND COUNTY, LOWER THAN THE INDIANA RATE OF 10.1%. THE AVERAGE ANNUAL HOUSEHOLD INCOME IS \$42,029, COMPARED TO \$48,010 FOR INDIANA AND \$42,029 FOR THE NATION. IN SWITZERLAND, 23.9% OF THE FAMILIES ARE BELOW THE POVERTY LEVEL, COMPARED TO 15.9% OF INDIANA FAMILIES, AND 16.5% OF FAMILIES IN THE NATION. 32.4% OF ALL FAMILIES IN SWITZERLAND COUNTY ARE BELOW THE POVERTY LEVEL. IN 2007, 26.3% OF ALL ADULTS AGE 25+ HAD LESS THAN A HIGH SCHOOL DIPLOMA, WHILE 26.8% OF THOSE AGE 18+ ARE UNEMPLOYED, COMPARED TO 27% IN INDIANA AND 27.3% IN THE NATION. 64% CHILDREN IN SWITZERLAND COUNTY ARE ENROLLED IN HOUSING HEALTHWISE. 8.1% OF INDIVIDUALS WITH INSURANCE HAVE MEDICAID, A HIGHER PERCENT THAN INDIANA (4.9% OR THE NATION) 4.5%. THE TEEN BIRTH RATE FOR SWITZERLAND COUNTY IN 2007 WAS 36.3 PER 1,000 FEMALES AGE 15-17, AND IS SIGNIFICANTLY HIGHER THAN THE INDIANA RATE OF 22.9 PER 1,000. THE RATE OF MOTHERS SMOKING DURING PREGNANCY IS 25.6% IN SWITZERLAND COUNTY, COMPARED TO 18.5% IN INDIANA. IN SWITZERLAND, THERE IS A 9.6% LOW BIRTH WEIGHT, COMPARED TO 8.5% IN INDIANA. IN 2009, 30% OF ALCOHOL RELATED FATALITIES IN SWITZERLAND COUNTY HAD A BLOOD ALCOHOL CONCENTRATION (BAC) OF 0.1 OR HIGHER. IT COMPARED TO 29% FOR INDIANA. SWITZERLAND COUNTY HAS A SHORTAGE OF HEALTH CARE PROFESSIONALS. ALL AREAS OF SWITZERLAND COUNTY ARE CONSIDERED MEDICALLY UNDERSERVED. SWITZERLAND COUNTY HAS A SHORTAGE OF MENTAL HEALTH PROFESSIONALS. THE RATE OF CHRONIC BRONCHITIS IN SWITZERLAND COUNTY, IS 3.4%, SIMILAR TO THE INDIANA RATE OF 3.2%. THE RATE OF EMPHYSEMA IN SWITZERLAND IS 1.8%, SIMILAR TO THE INDIANA RATE OF 1.8%. THERE ARE 379 ADULTS WITH SERIOUS MENTAL ILLNESS IN SWITZERLAND COUNTY AND 78 SERIOUSLY EMOTIONALLY DISTURBED CHILDREN. THE STROKE DEATH RATE PER 100,000 POPULATION IN 2007 WAS 44.5 FOR INDIANA AND 45.1 FOR THE NATION
		PART VI, LINE 6 THE MAJORITY OF THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES BOARD OF MANAGERS IS COMPOSED OF INDIVIDUALS WHO LIVE AND WORK IN THE HOSPITAL SERVICES AREA. THE MAJORITY OF THESE INDIVIDUALS ARE NEITHER EMPLOYEES, NOR CONTRACTORS OF THE ORGANIZATION, NOR FAMILY MEMBERS. THE BOARD OF MANAGERS EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY FOR SOME OR ALL OF ITS DEPARTMENTS. THE ORGANIZATION ALSO APPLIES A PORTION OF SURPLUS FUNDS TO EMPLOYEES IN THE HEALTH CARE. HISTORICALLY, KDHS HAS EMPLOYED A FULL TIME COMMUNITY WELLNESS COORDINATOR. THIS POSITION PROVIDES OUTREACH SERVICES IN AREAS OF NEED TO THE COMMUNITIES WE SERVE. IN ADDITION TO THESE SERVICES, KDHS ALSO SERVES AS THE FEDERAL AGENT FOR SEVERAL STATE AND FEDERAL GRANTS. ALL OF THESE SERVICES HELP US MEET THE IDENTIFIED NEEDS OF THE COMMUNITIES WE SERVE. PARTICIPATION IN THE BELOW COMMUNITY ORGANIZATION IS PART OF THE HOSPITAL'S INDIANA STATE DEPARTMENT OF HEALTH COMMUNITY BENEFIT PLAN AND GOALS. IN ADDITION, IN 2007 THE HOSPITAL COMPLETED A COMPREHENSIVE NEEDS ASSESSMENT AND HAVE ADDED OBESITY, PHYSICAL ACTIVITY, AND TOBACCO USE TO OUR LIST OF HEALTH INITIATIVES FOR THE COUNTIES SERVED BY THE HOSPITAL. OVERVIEW OF 2010 COMMUNITY BENEFIT ACTIVITIES: HEALTH SCREENS 74 COMMUNITY HEALTH SCREENS 21 COLORECTAL CANCER SCREENS 511 SKIN CANCER SCREENS PERFORMED AT 1 EVENT 87 BREAST CANCER SCREENS PERFORMED AT 1 EVENT 87 COLON CANCER SCREENS PERFORMED 370 STUDENTS BENEFITED FROM HIGH SCHOOL SPORTS PHYSICALS CORPORATE FLU SHOTS OF 1412 FLU SHOTS SOLD TO IVY TECH FOR SELF ADMINISTRATION HEALTH FAIR/HEARTBEATS HEALTH FAIR IN VERSAILLES/RIPLEY COUNTY 4H FAIR/JEFFERSON COUNTY FAIR HOSPITAL AND HEALTH SERVICES EMPLOYEE HEALTH FAIR/HEALTHY KIDS DAY AT YMCA IN VEAYREMC HEALTH FAIR IN VERSAILLES COMMUNITY DAY AT WINDRIDGE/PRESIDENTIAL/NORTH MADISON CHRISTIAN NEEDS ASSESSMENT/HEALTH CARE SERVICES TECH COMMUNITY EDUCATION/ SPEAKERS BUREAU - 36 SPEAKING ENGAGEMENTS IN 2010SAFE SITTER CLASSES - 3 CLASSES AND 47 GRADUATESFACE IT KIDS PROGRAM - 337 STUDENTS IN 9 SCHOOLS AND 17 PARENTS/GRADUATES/SMOKING CESSATION CLASSES - 14 GRADUATES IN ADULT PROGRAM, 56 YOUTH IN TAP/TEG PROGRAM COURSE PRIDE YOUTH PROGRAM - 40 YOUTH CONTRACTED TO PARTICIPATE AND REMAIN DRUG AND ALCOHOL FREE FOR 6 MONTHS - 609 GRADUATES CREATING POSITIVE RELATIONSHIPS/ABSTINENCE EDUCATION PROGRAM - 1,400 PARTICIPANTS FROM 4 SCHOOLS/RENEWAL AND LAWEZ CLASSES (HELLO FRIENDS/DEPARTMENTS) SERVED APPROXIMATELY 64 COUPLES AND 29 SIBLINGS GIRLS ON THE RUN PROGRAM - 60 PARTICIPANTS FROM LOCAL SCHOOLS (GRADES 3-5) AND 196 PARTICIPANTS IN A SK RUN WELLNESS CLASSES - 8 TYPES OF CLASSES THIS YEAR: HEALTH CARE SERVICES/STUDENT SESSIONS/LIFESKILLS CURRICULUM (DRUG AND ALCOHOL AWARENESS PROGRAM FOR YOUTH) - OFFERED AT 4 SCHOOLS FOR 6TH THROUGH 8TH GRADERS 4 EMPLOYEE HEALTH CARE SERVICES/STUDENT SESSIONS/STUDENT PUBLICATION THROUGHOUT THE EMPLOYEE WEIGHT WATCHERS - OFFERED THROUGHOUT 2010/SPECIAL EMPLOYEE WELLNESS PROGRAMS - WELLNESS CONN IN THE MONITOR, WELLNESS CALENDAR DISTRIBUTION, ONE IN THE HAND AND EDUCATION (BAC) OF 0.1 OR HIGHER WITH WATER, 28 PARTICIPANTS), 2 QUARTERLY WELLNESS CHALLENGES (BIGGEST LOSER WITH 147 PARTICIPANTS, A TO Z BACK TO BETTER HEALTH - 194 PARTICIPANTS) 5 COMMUNITY HEALTH CARE SERVICES/STUDENT SESSIONS GIRLS ON THE RUN PROGRAM - PUBLIC RELATIONS ACTIVITIES STAND-BY AT ALL COMMUNITY EVENTS EMS PROVIDES STAND-BY COVERAGE AT ALL PART VI, LINE 7 NA
REPORTS FILED WITH STATES	PART VI, LINE 7	IN

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

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 FUNDS ARE NOT GRANTED TO ORGANIZATIONS BUT ARE DONATED DONATIONS ARE DETERMINED ON A DISCRETIONARY BASIS

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.

Department of the Treasury
Internal Revenue Service

Name of the organization

THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES

Employer identification number

35-0895832

Part I Questions Regarding Compensation

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- | | |
|---|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax idemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

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

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

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

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

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

- a** Receive a severance payment or change-of-control payment from the organization or a related organization?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

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

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

- a** The organization?
- b** Any related organization?

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

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

- a** The organization?
- b** Any related organization?

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

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

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

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

	Yes	No
1b		
2		
4a		No
4b		No
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		No
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) EILEEN MCGARVEY MD	(i) (ii)	385,582 0	5,409 0	1,584 0	17,150 0	5,195 0	414,920 0	0 0
(2) PAT STACK MD	(i) (ii)	149,118 0	65,725 0	2,851 0	15,584 0	16,649 0	249,927 0	0 0
(3) ROGER ALLMAN	(i) (ii)	311,686 0	3,442 0	10,302 0	17,150 0	16,902 0	359,482 0	0 0
(4) STEVE MEACHAM	(i) (ii)	178,368 0	17,070 0	1,032 0	10,261 0	16,880 0	223,611 0	0 0
(5) MIKE BURNETT	(i) (ii)	147,981 0	828 0	1,584 0	10,744 0	11,857 0	172,994 0	0 0
(6) THOMAS ECKERT MD	(i) (ii)	421,949 0	334,398 0	1,032 0	17,150 0	16,660 0	791,189 0	0 0
(7) GIL WEIZER MD	(i) (ii)	398,096 0	146,967 0	240 0	17,150 0	16,880 0	579,333 0	0 0
(8) PAUL ROSENBERG MD	(i) (ii)	480,611 0	57,183 0	2,472 0	17,150 0	16,649 0	574,065 0	0 0
(9) WILLIAM SKILES MD	(i) (ii)	424,228 0	105,757 0	552 0	17,150 0	11,275 0	558,962 0	0 0
(10) ROBERT LEATHERMAN MD	(i) (ii)	420,463 0	81,113 0	20,790 0	17,150 0	17,270 0	556,786 0	0 0
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION	PART III	BOARD MEMBERS PAT STACK, MD AND EILEEN MCGARVEY, MD LISTED ABOVE ARE EMPLOYED PHYSICIANS OF THE HOSPITAL. DR. STACK AND DR. MCGARVEY DO NOT RECEIVE COMPENSATION FOR SERVICES PROVIDED AS BOARD MEMBERS. THE COMPENSATION LISTED ABOVE FOR DR. STACK AND DR. MCGARVEY IS COMPENSATION RECEIVED FOR SERVICES PROVIDED AS EMPLOYED PHYSICIANS.

**Schedule K
(Form 990)**

OMB No 1545-0047

Supplemental Information on Tax Exempt Bonds

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).**

▶ **Attach to Form 990. ▶ See separate instructions.**

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES

Employer identification number
35-0895832

Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A INDIANA FINANCE AUTHORITY	35-1602316	45471ACW0	11-03-2010	97,847,058	SEE SCHEDULE O		X		X		X

Part II Proceeds

	A	B	C	D
1 Amount of bonds retired				
2 Amount of bonds legally defeased				
3 Total proceeds of issue	97,847,058			
4 Gross proceeds in reserve funds	6,756,300			
5 Capitalized interest from proceeds				
6 Proceeds in refunding escrow				
7 Issuance costs from proceeds	1,749,243			
8 Credit enhancement from proceeds				
9 Working capital expenditures from proceeds				
10 Capital expenditures from proceeds	3,079,319			
11 Other spent proceeds	259,913			
12 Other unspent proceeds	86,002,283			
13 Year of substantial completion				
	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?		X		
15 Were the bonds issued as part of an advance refunding issue?		X		
16 Has the final allocation of proceeds been made?		X		
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X			

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						

Part III Private Business Use (Continued)

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

Part IV Arbitrage

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

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES

Employer identification number 35-0895832

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

Table with 3 main columns: (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

Table with 7 main columns: (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?

Part III Grants or Assistance Benefitting Interested Persons.

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

Table with 3 main columns: (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) A DATTILO FRUIT COMPANY	VICE PRESIDENT OF PATIENT SERVICES OF KDHS HAS 51% OWNERSHIP INTEREST	42,999	LISA MORGAN, VICE PRESIDENT OF PATIENT SERVICES OF KDHS OWNS A 51% INTEREST IN A DATILLO FRUIT COMPANY KDHS PURCHASES PRODUCE FROM A DATTILO FRUIT COMPANY		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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SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization

THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES

Employer identification number

35-0895832

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		PER THE BY LAWS, THE MEMBERSHIP OF THE ORGANIZATION SHALL BE NON-SECTARIAN, NON-POLITICAL AND NOT CONFINED TO ANY CHRISTIAN RELIGIOUS DENOMINATION OR SECT ANY SUCH PERSON OF GOOD REPUTE WHO HOLDS HERSELF RESPONSIBLE TO THE KING, CHRIST, OUR LORD AND SAVIOR, MAY BECOME A MEMBER OF THE ORGANIZATION ALL MEMBERS MUST BE AND REMAIN PERMANENT RESIDENTS OF THE SERVICE AREA OF THE HOSPITAL, AS DETERMINED FROM TIME TO TIME BY THE HOSPITAL BOARD OF MANAGERS, AS A CONTINUING REQUIREMENT FOR MEMBERSHIP FAILURE TO MAINTAIN SUCH RESIDENCY STATUS AUTOMATICALLY TERMINATES A PERSON'S MEMBERSHIP HOSPITAL EMPLOYEES, MEMBERS OF THE MEDICAL STAFF, AND THEIR IMMEDIATE FAMILY MEMBERS SHALL NOT BE ELIGIBLE FOR MEMBERSHIP IN THE ORGANIZATION THE IMMEDIATE FAMILY SHALL BE DEFINED AS INCLUDING THE MOTHER, FATHER, HUSBAND, WIFE, SISTER, BROTHER, DAUGHTER, SON, AND STEPCHILDREN

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		THE ORGANIZATION SHALL HAVE TWO (2) CLASSES OF MEMBERS, ACTIVE AND HONORARY, AND ALL MEMBERS SHALL HAVE THE RIGHTS, PRIVILEGES, DUTIES, LIABILITIES, LIMITATIONS AND RESTRICTIONS AS SET FORTH FROM TIME TO TIME IN THE STANDING RULES ANY ACTIVE MEMBER OF THE ORGANIZATION MAY PROPOSE ANY OTHER PERSON MEETING THE ELIGIBILITY REQUIREMENTS OUTLINED IN PART VI, 7A ABOVE FOR MEMBERSHIP ONLY ACTIVE MEMBERS IN GOOD STANDING THAT HAVE BEEN A MEMBER FOR AT LEAST TWO ANNIVERSARY YEARS CAN PRESENT A PERSON'S NAME FOR MEMBERSHIP OR TO SERVE ON THE BOARD OF DIRECTORS A MAJORITY VOTE OF THOSE PRESENT AND VOTING AFFIRMATIVELY AT ANY REGULAR MEETING OF THE ORGANIZATION AT WHICH A QUORUM IS PRESENT SHALL BE SUFFICIENT TO ELECT SUCH PROPOSED PERSON TO MEMBERSHIP ONLY ACTIVE MEMBERS SHALL HAVE THE RIGHT AT EVERY MEETING OF THE MEMBERS TO CAST ONE (1) VOTE FOR HER MEMBERSHIP THIS RIGHT TO VOTE MUST BE EXERCISED IN PERSON, OR AS THE BYLAWS MAY PROVIDE FROM TIME TO TIME

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		ONLY ACTIVE MEMBERS SHALL HAVE THE RIGHT AT EVERY MEETING OF THE MEMBERS TO CAST ONE (1) VOTE FOR HIS/HER MEMBERSHIP THIS RIGHT TO VOTE MUST BE EXERCISED IN PERSON, OR AS THE BY LAWS MAY PROVIDE FROM TIME TO TIME

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE PROCESS OF REVIEWING THE FORM 990 ENTAILS A DETAILED REVIEW BY THE ORGANIZATION'S MANAGEMENT. THE BOARD OF MANAGERS RECEIVES A DRAFT COPY OF THE FORM 990 INCLUDING REQUESTED SCHEDULES PRIOR TO FILING WITH THE IRS. CHANGES OR REVISIONS ARE SUGGESTED BY THE BOARD IF NECESSARY. THE BOARD APPROVES THE DRAFT COPY OF THE 990 WITH THE CONTINGENCY THAT THE CHANGES/REVISIONS WILL BE INCORPORATED INTO THE FINAL VERSION OF THE TAX RETURN.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	BOARD MEMBERS ARE REQUIRED TO DISCLOSE ANNUALLY INTERESTS THAT COULD GIVE RISE TO CONFLICT OFFICERS AND KEY EMPLOYEES ARE NOT REQUIRED TO ANNUALLY DISCLOSE INTERESTS THAT COULD GIVE RISE TO CONFLICTS HOWEVER THE HR CONFLICT OF INTEREST POLICY DOES STATE THAT ANY EMPLOYEE WHO IS AN OFFICER, OWNER, PARTNER OR EMPLOYEE OF AN ORGANIZATION WITH WHICH THE HOSPITAL MAY ENTER INTO A RELATIONSHIP OR TRANSACTION (OR WHOSE SPOUSE OR CHILD IS AN OFFICER, OWNER, PARTNER OR EMPLOYEE OF AN ORGANIZATION WITH WHICH THE HOSPITAL MAY ENTER INTO A RELATIONSHIP OR TRANSACTION) MUST DISCLOSE THIS INFORMATION TO THE APPROPRIATE VICE PRESIDENT AND THE PRESIDENT/CEO SHOULD SUCH INFORMATION BE DISCLOSED, THE EMPLOYEE WILL REFRAIN FROM ANY SUBSEQUENT DISCUSSION AND DECISIONS RELATED TO THE OUTSIDE FIRM A CONFLICT OF INTEREST STATEMENT MUST BE COMPLETED BY EVERY BOARD MEMBER EACH YEAR AT SUCH TIME AS ANY MATTER COMES BEFORE THE BOARD CONCERNING AN EXISTING OR CONTEMPLATED TRANSACTION OR RELATIONSHIP BETWEEN THE ORGANIZATION AND ANY PARTY IN WHICH A BOARD MEMBER OR THE SPOUSE OR MINOR CHILDREN OF SUCH BOARD MEMBER HAS AN INTEREST OR OTHERWISE MAY GIVE RISE TO A CONFLICT OF INTEREST BETWEEN THE BOARD MEMBER AND THE ORGANIZATION, THE AFFECTED BOARD MEMBER SHALL MAKE KNOWN THE POTENTIAL CONFLICT, WHETHER DISCLOSED BY HIS OR HER WRITTEN STATEMENT OR NOT, AND AFTER ANSWERING ANY QUESTIONS THAT MIGHT BE ASKED OF HIM OR HER, SHALL WITHDRAW FROM THE MEETING FOR SO LONG AS THE MATTER SHALL CONTINUE UNDER DISCUSSION SHOULD THE MATTER BE BROUGHT TO A VOTE, THE AFFECTED BOARD MEMBER SHALL NOT VOTE ON IT

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15A	THE HOSPITAL'S BOARD EXECUTIVE COMMITTEE REVIEWS ANNUAL CEO SURVEY INFORMATION FROM THE INDIANA HOSPITAL ASSOCIATION THAT COMPARES THE HOSPITAL'S CEO'S COMPENSATION WITH OTHER HOSPITAL CEO'S IN INDIANA. COMPARISONS ARE MADE WITH HOSPITALS THAT ARE IN THE HOSPITAL'S REGION IN INDIANA, HOSPITALS SIMILAR IN SIZE TO KDHHS, AND HOSPITALS THAT MIGHT REASONABLY BE EXPECTED TO COMPETE FOR SERVICES OF THE HOSPITAL'S CEO. THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U) FOR THE PRIOR TWELVE MONTH PERIOD IS ALSO REVIEWED AND CONSIDERED. THE EXECUTIVE COMMITTEE, AFTER REVIEWING A STATUS REPORT OF THE CEO'S ANNUAL GOALS, RECOMMENDS CHANGES IN THE CEO'S COMPENSATION TO THE FULL BOARD OF MANAGERS. ANY ACTION TAKEN ON THE RECOMMENDATION IS MADE BY THE FULL BOARD. HOWEVER, PHYSICIAN BOARD MEMBERS WHO ARE HOSPITAL EMPLOYEES DO NOT PARTICIPATE IN VOTING FOR ANY CHANGE TO CEO COMPENSATION. MINUTES ARE TAKEN AT ALL BOARD EXECUTIVE COMMITTEE AND FULL BOARD MEETINGS.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST, OR FINANCIAL STATEMENTS ARE NOT MADE AVAILABLE FOR PUBLIC INSPECTION THE FORM 990 TAX RETURN IS AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 3,430,252 MEMBERS' WITHDRAWAL - 67,580 TOTAL TO FORM 990, PART XI, LINE 5 3,362,672

Identifier	Return Reference	Explanation
AUDIT OVERSIGHT	FORM 990, PART XI, LINE 2C	THE HOSPITAL'S FINANCE COMMITTEE ASSUMES RESPONSIBILITY FOR THE SELECTION OF AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTING FIRM TO PERFORM THE ANNUAL AUDIT OF THE FINANCIAL STATEMENTS THE FINANCE COMMITTEE ALSO IS RESPONSIBLE FOR OVERSIGHT OF THAT AUDIT PROCESS THE TREASURER OF THE HOSPITAL'S BOARD OF MANAGERS SERVES AS THE CHAIR OF THE FINANCE COMMITTEE THE FINANCE COMMITTEE REGULARLY MEETS EVERY OTHER MONTH, AND MEETS ONCE PER YEAR WITH THE INDEPENDENT AUDITORS

Identifier	Return Reference	Explanation
DESCRIPTION OF PURPOSE	SCHEDULE K, PART I, LINE A	THE PURPOSE OF THE BOND ISSUANCE IS TO FINANCE, REFINANCE, OR REIMBURSE A PORTION OF THE COSTS OF ACQUIRING, CONSTRUCTING, RENOVATING AND EQUIPPING VARIOUS HEALTH CARE FACILITIES OF THE HOSPITAL, INCLUDING A REPLACEMENT ACUTE CARE HOSPITAL FACILITY AND A COMMUNITY AND MEDICAL ARTS CENTER

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2010

Open to Public Inspection

▶ **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.**

Department of the Treasury
Internal Revenue Service

Name of the organization

THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES

Employer identification number

35-0895832

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) THE KING'S DAUGHTERS' HOSPITAL FOUNDATION INC ONE KINGS DAUGHTERS DRIVE MADISON, IN 47250 20-2148950	FUNDRAISING TO SUPPORT THE PROVISION OF HEALTHCARE SERVICES	IN	501(C)(3)	LINE 7	N/A		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	
(1) MADISON CATHETERIZATION SERVICES LLC ONE KINGS DAUGHTERS DRIVE MADISON, IN47250 20-3391301	CATHETERIZATION SERVICES	IN	N/A	RELATED	51,802	119,571		No		Yes		51 000 %

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

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

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

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		No
1b	Yes	
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j	Yes	
1k		No
1l		No
1m	Yes	
1n	Yes	
1o		No
1p	Yes	
1q		No
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)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
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