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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

C Name of organization
PARKVIEW HEALTH SYSTEM INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
10501 CORPORATE DRIVE

City or town, state or country, and ZIP + 4
FORT WAYNE, IN 46845

D Employer identification number
35-1972384

E Telephone number
(260) 373-8407

G Gross receipts $ 2,077,003,398

F Name and address of principal officer
MICHAEL PACKNETT
10501 CORPORATE DRIVE
FORT WAYNE,IN 46845

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW PARKVIEW COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1995 | **M** State of legal domicile IN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PARKVIEW HEALTH SYSTEM, INC WILL PROVIDE QUALITY HEALTH SERVICES TO ALL WHO ENTRUST THEIR CARE TO US AND WE WILL WORK TO IMPROVE THE HEALTH OF OUR COMMUNITIES

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	2,190
6	Total number of volunteers (estimate if necessary)	**6**	8
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	2,115,794
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	17,047

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	26,933	36,881
9	Program service revenue (Part VIII, line 2g)	101,154,439	250,801,671
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-4,780,948	16,042,418
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	888,526	-34,586
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	97,288,950	266,846,384
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,212,529	1,280,134
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)	68,924,711	156,056,725
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)	52,585,577	115,470,282
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	122,722,817	272,807,141
19	Revenue less expenses Subtract line 18 from line 12	-25,433,867	-5,960,757
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	1,077,596,927	1,163,484,562
21	Total liabilities (Part X, line 26)	751,696,963	792,370,514
22	Net assets or fund balances Subtract line 21 from line 20	325,899,964	371,114,048

Part II Signature Block

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

Sign Here

▶ Signature of officer — 2011-11-08 Date

▶ MICHAEL P BROWNING PH SVP & CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
KENNETH J KEBER	KENNETH J KEBER			

Firm's name ▶ CROWE HORWATH LLP — Firm's EIN ▶

Firm's address ▶ 330 E JEFFERSON BLVD P O BOX 7
SOUTH BEND, IN 466240007 — Phone no ▶ (574) 232-3992

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

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

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 261,767,319 including grants of $ 1,280,134) (Revenue $ 248,603,867)

PARKVIEW HEALTH SYSTEM, INC SUPPORTS THESE HOSPITALS PARKVIEW HOSPITAL, INC , HUNTINGTON MEMORIAL HOSPITAL, INC , COMMUNITY HOSPITAL OF LAGRANGE COUNTY, INC , COMMUNITY HOSPITAL OF NOBLE COUNTY, INC , AND WHITLEY MEMORIAL HOSPITAL, INC IMPROVING THE HEALTH OF THE COMMUNITY IS A FUNDAMENTAL PART OF PARKVIEW HEALTH SYSTEM, INC 'S MISSION AS A NOT-FOR-PROFIT, COMMUNITY-BASED ORGANIZATION, PARKVIEW HEALTH SYSTEM, INC REINVESTS ITS FUNDS AND OTHER RESOURCES IN COMMUNITY SERVICES AND HOSPITAL PROGRAMS DESIGNED TO IMPROVE THE HEALTH AND WELL BEING OF RESIDENTS IN THE AREAS WHERE PARKVIEW HEALTH SYSTEM, INC HOSPITALS ARE LOCATED TO GUIDE US IN THIS ENDEAVOR, PARKVIEW HEALTH SYSTEM, INC ROUTINELY SPONSORS A COMMUNITY HEALTH SURVEY IN ADDITION, PARKVIEW HEALTH SYSTEM, INC REVIEWS TREND AND TREATMENT ANALYSIS DATA ON AN ONGOING BASIS DATA OBTAINED FROM THESE STUDIES IS USED IN PARKVIEW HEALTH SYSTEM, INC 'S STRATEGIC PLANNING PROCESS TO IDENTIFY AND SET PRIORITIES FOR CRITICAL HEALTH INITIATIVES IN THE COMMUNITIES PARKVIEW HEALTH SYSTEM, INC SERVES PARKVIEW HEALTH SYSTEM, INC EMPLOYS 264 PRIMARY AND SPECIALTY CARE PHYSICIANS AS PART OF THE PARKVIEW PHYSICIANS' GROUP THESE PHYSICIANS PROVIDE CARE TO RESIDENTS THROUGHOUT NORTHEAST INDIANA AND NORTHWEST OHIO REGARDLESS OF THEIR ABILITY TO PAY FOR THOSE SERVICES PARKVIEW HEALTH EMPLOYS ONE FULL TIME PHYSICIAN RECRUITER WHOSE TIME IS DEVOTED TO RECRUITING PHYSICIANS ALL PHYSICIAN RECRUITMENT ACTIVITY IS BASED ON A PHYSICIAN NEEDS ASSESSMENT AND THE OVERSIGHT OF THE COMPLIANCE COMMITTEE OF THE BOARD OF DIRECTORS TO ENSURE THAT WE FOLLOW THE GUIDELINES SET FORTH BY THE FEDERAL GOVERNMENT ON THE AVERAGE, 15-25 NEW PHYSICIANS ARE RECRUITED EACH YEAR PARKVIEW HEALTH SYSTEM, INC PROVIDES SIGNIFICANT FUNDING TO LOCAL UNIVERSITIES TO PROMOTE AND SUPPORT THE NURSING PROGRAMS IN ORDER TO DEVELOP, TEACH AND TRAIN TALENTED STUDENTS FOR THE NURSING PROFESSION PARKVIEW HEALTH SYSTEM, INC HAS PARTNERSHIPS WITH THE NURSING DEPARTMENTS AT INDIANA UNIVERSITY PURDUE UNIVERSITY AT FORT WAYNE, AND THE UNIVERSITY OF SAINT FRANCIS TO PROVIDE FINANCIAL ASSISTANCE FOR SCHOLARSHIPS, OPERATIONAL, CAPITAL, AND MARKETING SUPPORT IN ADDITION, PARKVIEW HEALTH SYSTEM, INC IS A SIGNIFICANT CONTRIBUTOR TO THE NORTHEAST INDIANA ECONOMIC DEVELOPMENT COUNCIL TO SUSTAIN THE ECONOMIC VITALITY OF THIS AREA PARKVIEW HEALTH SYSTEM, INC HAS PLAYED A KEY ROLE IN THE REGION'S VISION 20/20 INITIATIVE GEARED TOWARD THE DEVELOPMENT OF STRATEGIES IMPERATIVE TO THE REGION'S FUTURE GROWTH AND VITALITY

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

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

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

4e **Total program service expenses** ▶ $ 261,767,319

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	**1a**	249		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c** Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	2,190		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b** Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a** Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b** Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			**4a** Yes	
b	If "Yes," enter the name of the foreign country ▶ DA , IT , NO , SW , SZ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**	
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**	
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**	
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**	
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			**9a**	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			**13a**	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**			
c	Enter the amount of reserves on hand	**13c**			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**	

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	15		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Does the organization have members or stockholders?		6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

MICHAEL P BROWNING
10501 CORPORATE DRIVE
FORT WAYNE,IN 46845
(260) 373-8407

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			
See Additional Data Table										

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			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								9,926,044	425,949	1,106,339

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 ▶ 249

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
INDIANA MEDICAL ASSOCIATES LLC 7900 W JEFFERSON STE 201 FORT WAYNE, IN 46804	PHYSICIANS	798,730
NAVVIS CONSULTING LLC 15450 SOUTH OUTER FORTY DRIVE STE 2 CHESTERFIELD, MO 63017	CONSULTANTS	570,994
ERNST & YOUNG US LLP P O BOX 96550 CHICAGO, IL 60693	CPA FIRM	344,654
BEERS MALLERS BACK & SALIN LLP 110 W BERRY STREET STE 1100 FORT WAYNE, IN 46802	ATTORNEYS	311,122
GALILEO MANAGEMENT SERVICES LLC 5025 LITCHFIELD ROAD FORT WAYNE, IN 46835	CONSULTANTS	300,000

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 18

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	36,881				
	e Government grants (contributions) 1e					
	f All other contributions, gifts, grants, and similar amounts not included above 1f					
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		36,881			
Program Service Revenue		Business Code				
	2a CORP SER ALLOCATION	561000	110,882,088	110,882,088		
	b NET PATIENT SERVICE	621110	100,375,806	100,375,806		
	c PH SUBSIDY	561499	15,958,555	15,958,555		
	d ORTHOPAEDIC HOSPITAL	621110	10,508,533	10,508,533		
	e BILLING & MGMT FEES	561000	4,591,083	2,673,710	1,917,373	
	f All other program service revenue		8,485,606	8,169,809	315,797	
	g **Total.** Add lines 2a–2f . . . . . ▶		250,801,671			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		11,730,889			11,730,889
	4 Income from investment of tax-exempt bond proceeds . . ▶		194,645			194,645
	5 Royalties . . . . . ▶					
		(i) Real / (ii) Personal				
	6a Gross Rents	2,188,991				
	b Less rental expenses	2,864,228				
	c Rental income or (loss)	-675,237				
	d Net rental income or (loss) . . . . . ▶		-675,237		-117,376	-557,861
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	1,811,336,398 / 73,272				
	b Less cost or other basis and sales expenses	1,807,162,087 / 130,699				
	c Gain or (loss)	4,174,311 / -57,427				
	d Net gain or (loss) . . . . . ▶		4,116,884			4,116,884
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . . ▶					
	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 . . ▶					
	Miscellaneous Revenue	Business Code				
	11a CAFETERIA REVENUE	722100	605,285			605,285
	b MISCELLANEOUS	900099	35,366	35,366		
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶		640,651			
	12 **Total revenue.** See Instructions . . . ▶		266,846,384	248,603,867	2,115,794	16,089,842

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	1,280,134	1,280,134		
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	6,706,630		6,706,630	
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	121,160,215	121,160,215		
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits	6,608,814	6,608,814		
10	Payroll taxes	21,581,066	21,581,066		
a	Fees for services (non-employees) Management				
b	Legal	606,678	606,678		
c	Accounting	682,174	682,174		
d	Lobbying				
e	Professional fundraising services *See Part IV, line 17* . .				
f	Investment management fees	1,507,177	1,507,177		
g	Other	15,244,087	12,359,893	2,884,194	
12	Advertising and promotion	2,357,148	2,352,998	4,150	
13	Office expenses	13,320,691	12,751,492	569,199	
14	Information technology	20,339,932	20,339,932		
15	Royalties . .				
16	Occupancy	7,343,606	7,307,729	35,877	
17	Travel	714,749	554,103	160,646	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	1,702,344	1,622,376	79,968	
20	Interest	21,282,189	21,282,189		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	18,359,946	18,345,657	14,289	
23	Insurance	2,114,693	1,902,973	211,720	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	UBI TAXES & REFUNDS	-59,538	-59,538		
b	BAD DEBT	6,067,549	6,067,549		
c	DUES & SUBSCRIPTIONS	863,780	550,175	313,605	
d	PHYSICIAN RECRUITMENT	736,825	736,825		
e	TUITION & CERTIFICATION	646,794	646,794		
f	All other expenses	1,639,458	1,579,914	59,544	
25	**Total functional expenses.** Add lines 1 through 24f	272,807,141	261,767,319	11,039,822	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		17,495	1	21,381
	2	Savings and temporary cash investments		42,478,235	2	52,978,116
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		32,744,783	4	16,282,925
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	
	7	Notes and loans receivable, net		11,377,966	7	10,857,261
	8	Inventories for sale or use		321,199	8	306,862
	9	Prepaid expenses and deferred charges		9,911,986	9	10,086,500
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 669,096,958			
	b	Less accumulated depreciation	10b 157,497,185	257,109,405	10c	511,599,773
	11	Investments—publicly traded securities		628,459,235	11	438,922,625
	12	Investments—other securities See Part IV, line 11		84,209,612	12	110,263,867
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		7,057,081	14	8,762,222
	15	Other assets See Part IV, line 11		3,909,930	15	3,403,030
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,077,596,927	16	1,163,484,562
Liabilities	17	Accounts payable and accrued expenses		42,903,074	17	67,707,293
	18	Grants payable			18	
	19	Deferred revenue		192,943	19	173,103
	20	Tax-exempt bond liabilities		562,234,647	20	565,576,364
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		8,894,606	23	16,560,649
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		137,471,693	25	142,353,105
	26	**Total liabilities.** Add lines 17 through 25		751,696,963	26	792,370,514
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		325,899,964	27	371,114,048
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		325,899,964	33	371,114,048
	34	Total liabilities and net assets/fund balances		1,077,596,927	34	1,163,484,562

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	266,846,384
2	Total expenses (must equal Part IX, column (A), line 25)	2	272,807,141
3	Revenue less expenses Subtract line 2 from line 1	3	-5,960,757
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	325,899,964
5	Other changes in net assets or fund balances (explain in Schedule O)	5	51,174,841
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	371,114,048

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support
(A) PARKVIEW HOSPITAL INC	350868085	3	Yes		Yes		Yes		85,228,452
(B) HUNTINGTON MEMORIAL HOSPITAL INC	351970706	3	Yes		Yes		Yes		7,193,616
(C) WHITLEY MEMORIAL HOSPITAL INC	351967665	3	Yes		Yes		Yes		6,362,832
(D) COMMUNITY HOSPITAL OF NOBLE COUNTY INC	352089183	3	Yes		Yes		Yes		7,096,224
(E) COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	202401676	3	Yes		Yes		Yes		4,581,948
Total									110,463,072

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Additional Data

Software ID:
Software Version:
EIN: 35-1972384
Name: PARKVIEW HEALTH SYSTEM INC

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL PACKNETT DIRECTOR/PH CEO	40 00	X		X				912,103	0	158,919
RAYMOND DUSMAN DIRECTOR/VICE CHAIR/PH PHYSICIAN	40 00	X						623,425	0	44,655
DUANE HOUGENDOBLER DIRECTOR/PH PHYSICIAN	40 00	X						513,914	596	48,348
MITCHELL STUCKY DIRECTOR/PH PHYSICIAN	40 00	X						164,738	118,166	38,381
MICHAEL AXEL DIRECTOR	1 00	X						3,500	5,250	0
RICHARD BAKER DIRECTOR	1 00	X						3,750	6,250	0
THOMAS BEAVER DIRECTOR	1 00	X						3,000	6,500	0
JANET CHRZAN DIRECTOR/SECRETARY	1 00	X						10,750	0	0
DAVID HAIST DIRECTOR	1 00	X						3,500	4,750	0
MICHAEL LEE DIRECTOR	1 00	X						6,750	0	0
LAURA LEFEVER DIRECTOR	1 00	X						4,500	7,250	0
JOHN PRICE DIRECTOR	1 00	X						3,000	7,250	0
CHARLES SCHRIMPER DIRECTOR/CHAIR	1 00	X						11,500	0	0
WIL SMITH DIRECTOR/TREASURER	1 00	X						4,500	4,500	0
THOMAS WALSH DIRECTOR	1 00	X						11,000	0	0
MICHAEL BROWNING CURRENT PH SVP & CFO	40 00			X				80,871	0	5,343
JEFFREY FRANCIS PH SVP & CFO	40 00			X				206,802	0	15,269
STANTON RISSER INTERIM PH CFO	40 00			X				138,872	0	24,814
MARK NAFZIGER PH EVP & COO	40 00			X				588,952	0	56,938
ARTHUR DETORE PH EVP	40 00				X			449,416	0	79,719
CATHERINE WILCOX PH SVP	40 00				X			348,390	0	60,925
JEFFREY BROOKES PH MEDICAL DIR - COMMUNITY HOSPITALS	1 00				X			77,405	263,027	56,424
JAMES STAPEL PH MEDICAL DIR - PPG	40 00				X			335,889	2,010	75,369
RICK HENVEY PH REGIONAL COO - COMMUNITY HOSPITALS	40 00				X			301,648	0	53,626
RONALD DOUBLE PH CIO	40 00				X			297,464	0	57,972

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DEBRA WILLIAMS PH SVP	40 00				X			287,353	0	42,705
JAMES WITMER PH SVP	40 00				X			256,214	0	40,608
JAMES HAUGUEL PH SVP	40 00				X			213,132	0	44,409
SAILAJA BLACKMON PH PHYSICIAN	40 00					X		788,837	0	44,775
DAVID SOWDEN PH PHYSICIAN	40 00					X		745,999	400	41,212
DOUGLAS GRAY PH PHYSICIAN	40 00					X		717,431	0	43,613
DAVID LLOYD PH PHYSICIAN	40 00					X		710,534	0	37,540
SATISH VELAGAPUDI PH PHYSICIAN	40 00					X		652,492	0	34,775
CHARLES MASON PH PRESIDENT EMERITUS	0 00						X	448,413	0	0

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
PARKVIEW HEALTH SYSTEM INC	35-1972384

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

Additional Data

Software ID:
Software Version:
EIN: 35-1972384
Name: PARKVIEW HEALTH SYSTEM INC

Form 990, Schedule A, Part I, Line 11h - Provide the following information about the organizations the organization supports.

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section)	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
(A) PARKVIEW HOSPITAL INC	350868085	3	Yes		Yes		Yes		85228452
(B) HUNTINGTON MEMORIAL HOSPITAL INC	351970706	3	Yes		Yes		Yes		7193616
(C) WHITLEY MEMORIAL HOSPITAL INC	351967665	3	Yes		Yes		Yes		6362832
(D) COMMUNITY HOSPITAL OF NOBLE COUNTY INC	352089183	3	Yes		Yes		Yes		7096224
(E) COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	202401676	3	Yes		Yes		Yes		4581948

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		55,674
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			55,674
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
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	23,655,281	23,770,866		47,426,147
b Buildings		118,572,367	36,020,112	82,552,255
c Leasehold improvements		3,106,604	880,684	2,225,920
d Equipment		169,760,584	116,109,110	53,651,474
e Other		330,231,256	4,487,279	325,743,977
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				511,599,773

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	110,263,867	F
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	110,263,867	

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	
DUE TO/FROM INTERUNIT	113,526,348
ACC RETIREMENTS COST	20,203,270
RESERVE FOR SIGNATURE CARE	4,748,908
RESERVE FOR MALPRACTICE	3,270,204
RESERVE FOR IBNR	600,000
PROPERTY SECURITY DEPOSITS	4,375
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	142,353,105

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

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

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

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

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

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
EUROPE (INCLUDING ICELAND & GREENLAND)	0	0	INVESTMENTS		2,404,178
3a Sub-total		0			2,404,178
b Total from continuation sheets to Part I		0			0
c Totals (add lines 3a and 3b)		0			2,404,178

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

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

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

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

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

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

Part IV Foreign Forms

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

Part V Supplemental Information

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

Identifier	ReturnReference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493312015081

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		No
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			154,011		154,011	0 060 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			1,463,547	732,476	731,071	0 270 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			563,789	363,276	200,513	0 070 %
d **Total** Financial Assistance and Means-Tested Government Programs			2,181,347	1,095,752	1,085,595	0 400 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			246,087		246,087	0 090 %
f Health professions education (from Worksheet 5)			946,650		946,650	0 350 %
g Subsidized health services (from Worksheet 6)			831,036	457,228	373,808	0 140 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			458,035		458,035	0 170 %
j **Total** Other Benefits			2,481,808	457,228	2,024,580	0 750 %
k **Total.** Add lines 7d and 7j			4,663,155	1,552,980	3,110,175	1 150 %

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			299,747		299,747	0 110 %
2	Economic development			365,000		365,000	0 140 %
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members			5,000		5,000	0 %
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development			880,571		880,571	0 330 %
9	Other						
10	**Total**			1,550,318		1,550,318	0 580 %

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 Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	2	3,059,386		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	5,468,277
6	Enter Medicare allowable costs of care relating to payments on line 5	6	7,390,121
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-1,921,844
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV **Management Companies and Joint Ventures**

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1	1 IMAGING SERVICES HOLDING COMPANY LLC	HOLDING COMPANY	50 000 %		50 000 %
2	2 ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH LLC	ORTHOPAEDIC HOSPITAL	60 000 %		40 000 %
3	3 PREMIER SURGERY CENTER LLC	SURGERY CENTER	50 000 %		50 000 %
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH 11119 PARKVIEW PLAZA DRIVE FORT WAYNE,IN 46845	X	X		X					

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? **74**

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

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

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

Identifier	ReturnReference	Explanation
		PART I, LINE 3C ELIGIBILITY CRITERIA FOR FREE OR DISCOUNTED CAREPARKVIEW HEALTH SYSTEM, INC PROVIDES DISCOUNTED CARE TO UNINSURED PATIENTS REGARDLESS OF THEIR ABILITY TO PAY IF THE PATIENT ULTIMATELY QUALIFIES FOR CHARITY CARE USING THE 200% FPG, THE REMAINING BALANCE AFTER THE DISCOUNT IS WRITTEN OFF TO CHARITY
		PART I, LINE 6A PARKVIEW HOSPITAL, INC
		PART I, LINE 7 COSTING METHODOLOGY USED TO CALCULATE CHARITY CAREPART I, LINE 7APARKVIEW HEALTH SYSTEM, INC IS COMMITTED TO PROVIDING CHARITY CARE TO PATIENTS UNABLE TO MEET THEIR FINANCIAL OBLIGATIONS IT IS FURTHERMORE THE POLICY OF PARKVIEW HEALTH SYSTEM, INC NOT TO WITHHOLD OR DENY ANY REQUIRED MEDICAL CARE AS A RESULT OF A PATIENT'S FINANCIAL INABILITY TO PAY HIS/HER MEDICAL EXPENSES THE CHARITY CARE COST REPORTED ON LINE 7A IS CALCULATED UNDER THE COST TO CHARGE RATIO METHODOLOGY UNDER THIS METHOD, THE CHARITY CARE CHARGES FOREGONE ARE MULTIPLIED BY THE RATIO OF COST TO CHARGES TO DETERMINE THE COST OF SERVICES RENDERED PART I, LINE 7BPARKVIEW HEALTH SYSTEM, INC ACCEPTS ALL MEDICAID, MEDICAID MANAGED CARE, AND OUT-OF-STATE MEDICAID PATIENTS WITH THE KNOWLEDGE THAT THERE MAY BE SHORTFALLS INTERNAL REVENUE SERVICE (IRS) REVENUE RULING 69-545 IMPLIES THAT TREATING MEDICAID PATIENTS IS A COMMUNITY BENEFIT IRS REVENUE RULING 69-545, WHICH ESTABLISHED THE COMMUNITY BENEFIT STANDARD FOR NONPROFIT HOSPITALS, STATES THAT IF A HOSPITAL SERVES PATIENTS WITH GOVERNMENTAL HEALTH BENEFITS, INCLUDING MEDICAID, THEN THIS IS AN INDICATION THAT THE HOSPITAL OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY THE UNREIMBURSED MEDICAID COST REPORTED ON LINE 7B IS CALCULATED UNDER THE COST TO CHARGE RATIO METHODOLOGY UNDER THIS METHOD, THE MEDICAID CHARGES ARE MULTIPLIED BY THE RATIO OF COST TO CHARGES TO DETERMINE THE COST OF MEDICAID SERVICES RENDERED THEN, THE COST OF MEDICAID SERVICES RENDERED IS DEDUCTED FROM THE REIMBURSEMENT RECEIVED FOR MEDICAID PATIENTS TO ARRIVE AT A GAIN/(LOSS) RELATIVE TO THESE PATIENTS PART I, LINE 7FAMOUNTS PRESENTED ARE BASED UPON ACTUAL SPEND AND ARE IN CONFORMITY WITH AGREED UPON COMMITMENTS WITH THE VARIOUS EDUCATIONAL PROGRAMS PART I, LINE 7GAMOUNTS PRESENTED REPRESENT ACTUAL SPEND RELATIVE TO CLINICAL OPERATIONS AND SERVICES PART I, LINE 7IIN KEEPING WITH OUR MISSION AND COMMITMENT TO THE COMMUNITIES IN WHICH WE SERVE, PARKVIEW HEALTH SYSTEM, INC CONTINUES ITS TRADITION OF CONTRIBUTING TO NUMEROUS ORGANIZATIONS ON BOTH AN AS-NEEDED BASIS AND NEGOTIATED BASIS AMOUNTS PRESENTED REPRESENT ACTUAL SPEND TO ORGANIZATIONS THROUGHOUT OUR COMMUNITIES
		PART I, LINE 7G SUBSIDIZED HEALTH SERVICES PARKVIEW HEALTH SYSTEM, INC INCLUDED NO COSTS ATTRIBUTABLE TO A PHYSICIAN CLINIC AS SUBSIDIZED HEALTH SERVICES
		PART I, L7 COL(F) PERCENT OF TOTAL EXPENSESPARKVIEW HEALTH SYSTEM, INC EXCLUDED $6,067,549 OF BAD DEBT EXPENSE
		PART II DESCRIBE HOW THE ORGANIZATION'S COMMUNITY BUILDING ACTIVITIES, AS REPORTED, PROMOTE THE HEALTH OF THE COMMUNITIES THE ORGANIZATION SERVES PARKVIEW HEALTH SYSTEM, INC HAS A STRONG COMMITMENT TO THE VITALITY OF THE LOCAL COMMUNITY AND TO THE NORTHEAST INDIANA REGION AND INVESTS IN ENHANCING VARIOUS ASPECTS OF THE COMMUNITY THAT CONTRIBUTE TO IMPROVED HEALTH OF THE COMMUNITY PHYSICAL IMPROVEMENTS PARKVIEW NORTH FAMILY PARK IS A RECREATIONAL PARK AREA OPEN TO THE PUBLIC LOCATED ON THE NORTH CAMPUS, FUTURE HOME OF PARKVIEW REGIONAL MEDICAL CENTER PARKVIEW HEALTH SYSTEM, INC MAKES THE PARK AVAILABLE AND MAINTAINS THE PROPERTY TO ENHANCE THE COMMUNITY AND PROMOTE PHYSICAL ACTIVITY ECONOMIC DEVELOPMENT PARKVIEW HEALTH SYSTEM, INC FOSTERS ECONOMIC DEVELOPMENT IN SEVERAL WAYS PARKVIEW HEALTH SYSTEM, INC HAS PLAYED A KEY ROLE IN THE NORTHEAST INDIANA REGIONAL MARKETING PARTNERSHIP'S NEI=ROI CAMPAIGN TO MARKET NORTHEAST INDIANA ON A GLOBAL BASIS PARKVIEW HEALTH SYSTEM, INC MADE A MULTI-YEAR PLEDGE TO THE CAMPAIGN AND ISSUED AN ANNUAL CHALLENGE FOR MATCHING FUNDS FROM AREA BUSINESSES THE VISION 20/20 INITIATIVE (DISCUSSED IN LINE 4) DESIGNED TO ENGAGE ALL CITIZENS IN THE DEVELOPMENT OF THE REGION IS AN EXTENSION OF THE NORTHEAST INDIANA REGIONAL MARKETING PARTNERSHIP EFFORTS PARKVIEW HEALTH SYSTEM, INC ALSO SUPPORTS THE REGIONAL CHAMBER OF NORTHEAST INDIANA SUPPORT PROVIDED TO THE CITY OF FORT WAYNE FOR A NEWLY BUILT BASEBALL STADIUM LOCATED IN DOWNTOWN FORT WAYNE IS AN EFFORT TO BRING RENEWED ECONOMIC VITALITY TO THE DOWNTOWN AREA ENHANCING THE COMMUNITY AS A WHOLE THE BASEBALL FIELD IS THE CENTERPIECE OF OTHER SIGNIFICANT PROJECTS TOWARD THE GOAL OF DOWNTOWN REVITALIZATION RELATED TO ECONOMIC DEVELOPMENT AND COMMUNITY OUTREACH, PARKVIEW HEALTH SYSTEM, INC PARTNERED WITH THE FORT WAYNE CIVIC THEATRE TO PROVIDE SCHOLARSHIPS FOR TICKETS TO ATTEND PERFORMANCES FOR THOSE THAT MAY NOT OTHERWISE HAVE THE OPPORTUNITY TO ATTEND LEADERSHIP DEV/TRAINING FOR COMMUNITY MEMBERS IN CONJUNCTION WITH THE BETTER BUSINESS BUREAU, PARKVIEW HEALTH SYSTEM, INC PROVIDED SUPPORT FOR A LOCAL EDUCATIONAL PROGRAM DESIGNED FOR AREA COMMUNITY AND BUSINESS LEADERS WORKFORCE DEVELOPMENT PARKVIEW HEALTH SYSTEM, INC SUPPORTS PHYSICIAN RECRUITMENT ACTIVITIES TO ASSIST IN TIMELY RESPONSE TO PATIENT CARE NEEDS IN THE COMMUNITY THESE RECRUITMENT ACTIVITIES ARE BASED ON RESULTS OF A PERIODIC PHYSICIAN NEEDS ASSESSMENT PARKVIEW HEALTH SYSTEM, INC DEVELOPS A PHYSICIAN RECRUITMENT PLAN TO ADDRESS POTENTIAL GAPS IN PATIENT COVERAGE IN ADDITION, PARKVIEW HEALTH SYSTEM, INC PROMOTES HEALTH CARE CAREERS THROUGH STUDENT JOB SHADOWING AND INTERNSHIP PROGRAMS IN VARIOUS HEALTH CARE AREAS THROUGHOUT THE ORGANIZATION
		PART III, LINE 4 BAD DEBT EXPENSE - FINANCIAL STATEMENT FOOTNOTETEXT OF THE FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES BAD DEBT EXPENSE THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS PERIODICALLY, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR BAD DEBTS BASED UPON THESE INDICATORS AND ACCOUNTS RECEIVABLE PAYOR COMPOSITION AND AGING AND CONSIDERING HISTORICAL WRITE-OFF EXPERIENCE BY PAYOR CATEGORY AND AGING THE RESULTS OF THIS REVIEW ARE THEN USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR BAD DEBT AND TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR BAD DEBTS IN ADDITION, PH FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PAST-DUE PATIENT BALANCES WITH COLLECTION AGENCIES COSTING METHODOLOGY USED UNCOLLECTIBLE PATIENT ACCOUNTS ARE CHARGED AGAINST THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IN ACCORDANCE WITH THE POLICIES OF PARKVIEW HEALTH SYSTEM, INC THE BAD DEBT EXPENSE REPORTED ON LINE 2 IS CALCULATED UNDER THE COST TO CHARGE RATIO METHODOLOGY HOWEVER, DURING THE COLLECTION PROCESS THERE IS A CONTINUOUS EFFORT TO DETERMINE IF THE PATIENT QUALIFIES FOR CHARITY THEREFORE, ONCE AN UNCOLLECTIBLE ACCOUNT HAS BEEN CHARGED OFF AND IT IS DETERMINED THROUGH THE COLLECTION PROCESS THAT THE PATIENT QUALIFIES FOR CHARITY CARE, THE UNCOLLECTIBLE ACCOUNT IS RECLASSIFIED TO CHARITY AND ALL COLLECTION EFFORTS CEASE PARKVIEW HEALTH SYSTEM, INC PROVIDES HEALTH CARE SERVICES THROUGH VARIOUS PROGRAMS THAT ARE DESIGNED, AMONG OTHER THINGS, TO ENHANCE THE HEALTH OF THE COMMUNITY AND IMPROVE THE HEALTH OF AT-RISK POPULATIONS IN ADDITION, PARKVIEW HEALTH SYSTEM, INC PROVIDES SERVICES INTENDED TO BENEFIT THE POOR AND UNDERSERVED, INCLUDING THOSE PERSONS WHO CANNOT AFFORD HEALTH INSURANCE DUE TO INADEQUATE RESOURCES OR WHO ARE UNINSURED OR UNDERINSURED
		PART III, LINE 8 COMMUNITY BENEFIT & METHODOLOGY FOR DETERMINING MEDICARE COSTSSUBSTANTIAL SHORTFALLS ARISE FROM PAYMENTS THAT ARE LESS THAN THE COST TO PROVIDE THE CARE OR SERVICES AND DO NOT INCLUDE ANY AMOUNTS RELATING TO INEFFICIENT OR POOR MANAGEMENT PARKVIEW HEALTH SYSTEM, INC ACCEPTS ALL MEDICARE AND MEDICARE ADVANTAGE PATIENTS WITH THE KNOWLEDGE THAT THERE MAY BE SHORTFALLS INTERNAL REVENUE SERVICE (IRS) REVENUE RULING 69-545 IMPLIES THAT TREATING MEDICARE PATIENTS IS A COMMUNITY BENEFIT IRS REVENUE RULING 69-545, WHICH ESTABLISHED THE COMMUNITY BENEFIT STANDARD FOR NONPROFIT HOSPITALS, STATES THAT IF A HOSPITAL SERVES PATIENTS WITH GOVERNMENTAL HEALTH BENEFITS, INCLUDING MEDICARE, THEN THIS IS AN INDICATION THAT THE HOSPITAL OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY HOWEVER, MEDICARE AND MEDICARE ADVANTAGE PAYMENTS REPRESENT A PROXY OF COST CALLED THE "UPPER PAYMENT LIMIT " IT HAS HISTORICALLY BEEN ASSUMED THAT UPPER PAYMENT LIMIT PAYMENTS DO NOT GENERATE A SHORTFALL AS A RESULT, PARKVIEW HEALTH SYSTEM, INC HAS TAKEN THE POSITION NOT TO INCLUDE THE MEDICARE AND MEDICARE ADVANTAGE SHORTFALLS AS PART OF THE COMMUNITY BENEFIT REPORT THAT IS SUBMITTED TO THE STATE OF INDIANA
		PART III, LINE 9B COLLECTION PRACTICES FOR PATIENTS ELIGIBLE FOR CHARITY CARETHE LAST PARAGRAPH OF THE PAYMENT POLICY STATES "FINANCIAL ASSISTANCE MAY BE AVAILABLE FOR THOSE PATIENTS WHO CANNOT PAY THEIR BILL THOSE OPTIONS ARE WELFARE ASSISTANCE OR FREE CARE THROUGH THE HOSPITAL CHARITY PROGRAM (SEE CHARITY CARE POLICY) PATIENTS WILL BE INSTRUCTED TO CONTACT A COUNSELOR TO DISCUSS THE AVAILABLE OPTIONS "ADDITIONALLY, THERE IS AN ONGOING EFFORT THROUGHOUT THE COLLECTION PROCESS TO SCREEN FOR MEDICAID ELIGIBILITY AND THE NEED FOR PROVIDING CHARITY CARE APPLICATIONS TO PATIENTS IF A PATIENT MAY BE ELIGIBLE FOR MEDICAID, THE HOSPITAL PROVIDES A SERVICE TO OUR PATIENTS THAT HELPS THEM APPLY FOR MEDICAID WITH THE STATE IN WHICH THEY RESIDE IF A PATIENT IS APPROVED FOR CHARITY CARE, THEIR ACCOUNT IS WRITTEN OFF AND COLLECTION EFFORTS CEASE
		PART VI, LINE 2 DESCRIBE HOW THE ORGANIZATION ASSESSES THE HEALTH CARE NEEDS OF THE COMMUNITIES IT SERVES PARKVIEW HEALTH SYSTEM, INC CONDUCTED A COMMUNITY HEALTH ASSESSMENT IN LATE 2007 AS A JOINT PROJECT OF PARKVIEW HOSPITAL, INC , WHITLEY MEMORIAL HOSPITAL, INC , COMMUNITY HOSPITAL OF LAGRANGE COUNTY, INC , COMMUNITY HOSPITAL OF NOBLE COUNTY, INC , AND HUNTINGTON MEMORIAL HOSPITAL, INC PROFESSIONAL RESEARCH CONSULTANTS, INC OF OMAHA, NEBRASKA, WAS ENGAGED TO CONDUCT THE SURVEY AND TO PROVIDE AN EVALUATION OF THE STUDY THE SURVEY SAMPLE INCLUDED 1,400 RESIDENTS AGE 18 AND OLDER OF ALLEN, HUNTINGTON, LAGRANGE, NOBLE, AND WHITLEY COUNTIES A TELEPHONE INTERVIEW METHODOLOGY WAS EMPLOYED THE SURVEY INSTRUMENT USED FOR THIS STUDY WAS LARGELY BASED ON THE CENTERS FOR DISEASE CONTROL AND PREVENTION BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM AS WELL AS OTHER PUBLIC HEALTH SURVEYS AND CUSTOMIZED QUESTIONS ADDRESSING GAPS IN INDICATOR DATA RELATIVE TO NATIONAL HEALTH PROMOTION AND DISEASE PREVENTION OBJECTIVES AND RECOGNIZED HEALTH ISSUES THE INFORMATION FROM THIS SURVEY HAS BEEN A VALUABLE TOOL AS WE SEEK AND PRIORITIZE OPPORTUNITIES TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE AND AS WE IDENTIFY OPPORTUNITIES FOR COLLABORATION AMONG COMMUNITY ORGANIZATIONS AND LEADERS PARKVIEW HEALTH SYSTEM, INC REPRESENTATIVES HAVE RELATIONSHIPS THROUGH OUT THE COMMUNITY AND MEET REGULARLY WITH VARIOUS ORGANIZATIONS THAT SHARE PARKVIEW HEALTH SYSTEM, INC 'S MISSION OF IMPROVING THE HEALTH OF THE COMMUNITIES THAT WE SERVE ADDITIONALLY, PARKVIEW HEALTH SYSTEM, INC PLANS TO CONDUCT A COMMUNITY HEALTH NEEDS ASSESSMENT BEGINNING IN 2012
		PART VI, LINE 3 DESCRIBE HOW THE ORGANIZATION INFORMS AND EDUCATES PATIENTS AND PERSONS WHO MAY BE BILLED FOR PATIENT CARE ABOUT THEIR ELIGIBILITY FOR ASSISTANCE UNDER FEDERAL, STATE OR LOCAL GOVERNMENT PROGRAMS OR UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY -AT POINT OF REGISTRATION OR SCHEDULING, IF A PATIENT EXPRESSES THEIR INABILITY TO PAY, THE REGISTRAR OR SCHEDULER WILL REFER THE PATIENT TO A FINANCIAL COUNSELOR OR WILL PROVIDE FINANCIAL COUNSELING CONTACT INFORMATION IN THE FORM OF A BUSINESS CARD TO THE PATIENT OUTSIDE OF NORMAL BUSINESS HOURS -SIGNAGE IN THE EMERGENCY DEPARTMENT AND CASHIER AREAS INFORMS THE PATIENT OF THEIR RIGHT TO RECEIVE CARE REGARDLESS OF THEIR ABILITY TO PAY AND TELLS THEM THEY MAY BE ELIGIBLE FOR GOVERNMENTAL ASSISTANCE -THE PATIENT'S INITIAL STATEMENT INSTRUCTS THE PATIENT TO CALL THE PATIENT ACCOUNTING DEPARTMENT IF THEY CANNOT PAY IN FULL THE PATIENT ACCOUNTING CALL CENTER COLLECTORS SCREEN FOR THE APPLICABILITY OF GOVERNMENT ASSISTANCE AND OFFER FREE CARE APPLICATIONS TO PATIENTS WHO CANNOT AFFORD TO PAY THEIR BILLS -THE ONLINE ACCOUNT MANAGER OF PARKVIEW HEALTH SYSTEM, INC 'S WEBSITE (WWW PARKVIEW COM) CONTAINS INFORMATION ON HOW TO CONTACT THE PATIENT ACCOUNTING DEPARTMENT FOR PAYMENT OPTIONS OR FREE CARE ELIGIBILITY -ALL UNINSURED OR UNDERINSURED PATIENTS WHO ARE INPATIENT OR OBSERVATION STATUS ARE VISITED BY FINANCIAL COUNSELORS THE FINANCIAL COUNSELORS PROVIDE PAYMENT OPTIONS, INCLUDING SCREENING FOR THE APPLICABILITY OF GOVERNMENT ASSISTANCE, AS WELL AS OFFERING FREE CARE APPLICATIONS TO PATIENTS WHO CANNOT AFFORD TO PAY THEIR BILLS -OUTBOUND PHONE CALLS ARE MADE TO PATIENTS TO SET UP PAYMENT ARRANGEMENTS IF A PATIENT CANNOT MAKE PAYMENT ON THEIR ACCOUNT, THEY WILL BE SCREENED FOR THE APPLICABILITY OF GOVERNMENT ASSISTANCE ADDITIONALLY, FREE CARE APPLICATIONS WILL BE OFFERED TO PATIENTS WHO CANNOT AFFORD TO PAY THEIR BILLS -IF A PATIENT'S ACCOUNT IS PLACED WITH A COLLECTION AGENCY, THE AGENCY IS INSTRUCTED TO SCREEN FOR FREE CARE IF THE PATIENT EXPRESSES THEIR INABILITY TO PAY
		PART VI, LINE 4 DESCRIBE THE COMMUNITY THE ORGANIZATION SERVES, TAKING INTO ACCOUNT THE GEOGRAPHIC AREA AND DEMOGRAPHIC CONSTITUENTS IT SERVES PARKVIEW HEALTH SYSTEM, INC SERVES THE NORTHEAST INDIANA REGION AND OPERATES FACILITIES AND MEDICAL PRACTICES IN ALLEN, HUNTINGTON, LAGRANGE, NOBLE, AND WHITLEY COUNTIES ALLEN COUNTY IS CONSIDERED THE URBAN AREA AMONGST THE OTHER FOUR RURAL COUNTIES SINCE 1995, NORTHEAST INDIANA HAS EXPERIENCED A 15 PERCENT DECREASE IN PER CAPITA INCOME COMPARED TO THE NATION OVERALL ACCORDING TO THE LATEST STATISTICS, NORTHEAST INDIANA WORKERS ARE EARNING NEARLY 20 PERCENT LESS THAN THE NATIONAL AVERAGE IN LIGHT OF THIS FACT AND OTHER ECONOMIC INDICATORS, MICHAEL PACKNETT, PRESIDENT AND CEO OF PARKVIEW HEALTH, SERVES AS CO-CHAIR OF THE VISION 20/20 INITIATIVE, LEADING A GROUP OF COMMUNITY REPRESENTATIVES FROM ACROSS BUSINESS, EDUCATION, GOVERNMENT AND FOUNDATION SECTORS TO DEVELOP A COMPELLING AND ACTIONABLE VISION FOR THE TEN-COUNTY NORTHEAST INDIANA REGION COMPLETION OF THE FIRST PHASE OF VISION 20/20 WILL REVEAL A CLEAR, UNIFYING VISION FOR THE FUTURE, SHARED REGIONAL PRIORITIES AND ACCOUNTABILITY, PLANS WITH SPECIFIC STRATEGIES AND TACTICS, AND AN ATTITUDE OF PASSION AND URGENCY TO SEE THE VISION TO ACTION HEALTH IS AN IMPORTANT COMPONENT OF THE VISION
		PART VI, LINE 6 PROVIDE ANY OTHER INFORMATION IMPORTANT TO DESCRIBING HOW THE ORGANIZATION'S HOSPITAL FACILITIES OR OTHER HEALTH CARE FACILITIES FURTHER ITS EXEMPT PURPOSE BY PROMOTING THE HEALTH OF THE COMMUNITY (E G OPEN MEDICAL STAFF, COMMUNITY BOARD, USE OF SURPLUS FUNDS, ETC) PARKVIEW HEALTH SYSTEM, INC 'S BOARD OF DIRECTORS IS COMPOSED OF MEMBERS, OF WHICH SUBSTANTIALLY ALL ARE INDEPENDENT COMMUNITY MEMBERS A MAJORITY OF THE BOARD RESIDES IN PARKVIEW HEALTH SYSTEM, INC 'S PRIMARY SERVICE AREA PARKVIEW HEALTH SYSTEM, INC AS PARENT OF THE SYSTEM'S VARIOUS HOSPITALS AND PHYSICIAN PRACTICES, SERVES IN AN OVERSIGHT CAPACITY TO FORM AN INTEGRATED HEALTHCARE DELIVERY SYSTEM IN DOING SO, THE HOSPITALS ARE PROVIDED WITH CENTRALIZED, COST-EFFECTIVE ADMINISTRATIVE SUPPORT AND GUIDANCE TO FORM A COMPLETE AND COMPREHENSIVE CARE DELIVERY SYSTEM FOR THE REGION BY ITSELF AND THROUGH ITS MEMBER HOSPITALS AND ORGANIZATIONS, PARKVIEW HEALTH SYSTEM, INC SERVES TO MEET ITS MISSION TO ITS COMMUNITIES BY PERIODICALLY ASSESSING THE NEEDS OF THE REGION AND OFFERING THE SERVICES NECESSARY FOR A SAFER AND HEALTHIER POPULATION DATA OBTAINED THROUGH PERIODIC COMMUNITY HEALTH ASSESSMENTS, PHYSICIAN SURVEYS, AND TREND AND TREATMENT ANALYSIS IS UTILIZED IN PARKVIEW HEALTH SYSTEM, INC 'S STRATEGIC PLANNING PROCESS IN IDENTIFYING COMMUNITY HEALTH NEEDS AS A RESULT OF THIS STRATEGIC PLANNING PROCESS, PARKVIEW HEALTH SYSTEM, INC HAS ESTABLISHED SEVERAL PRIORITY AREAS THESE PRIORITY AREAS ARE ALIGNED WITH PARKVIEW HEALTH SYSTEM, INC 'S MISSION, VISION, AND GOALS, AND HELP DIRECT THE TYPES OF HEALTH INITIATIVES THAT THE HOSPITAL AND THE HEALTH SYSTEM UNDERTAKE PRIORITY AREAS INCLUDE THE FOLLOWING PRIMARY HEALTH CARE/ACCESS TO HEALTH CARE -ADDITIONAL RECRUITMENT AND TRAINING OF PRIMARY CARE PHYSICIANS FOR THE COMMUNITY-EXPANSION OF PRIMARY CARE ACCESS AND NON-TRADITIONAL HOURS OF PRACTICE-CONTINUED SUPPORT OF PROGRAMS PROVIDING PRIMARY CARE TO THE UNINSURED-PROGRAMS TO INCREASE DISTRIBUTION OF FREE MEDICATIONS TO THE POOR-PROMOTION OF HEALTH CAREERS, PARTICULARLY THOSE IN WHICH THE COMMUNITY IS EXPERIENCING A CURRENT SHORTAGE OF HEALTH CARE PROFESSIONALS-SUPPORT FOR ACTIVITIES WHICH INCREASE THE AFFORDABILITY AND ACCESSIBILITY OF HEALTH INSURANCE TO THE UNINSUREDHEALTH SCREENING AND PREVENTION -CANCER SCREENING PROGRAMS PARTICULARLY MAMMOGRAM, COLORECTAL, AND PROSTATE SCREENING-TOBACCO CESSATION PROGRAMS-INJURY PREVENTION FOR YOUNG PEOPLE-EDUCATION, SCREENING AND PREVENTION OF SEXUALLY TRANSMITTED DISEASES-DIABETES EDUCATION AND SCREENING-CARDIOVASCULAR DISEASE EDUCATION AND SCREENING-PNEUMONIA VACCINATIONS FOR INDIVIDUALS AGE 65 AND OLDER-PROGRAMS TO REDUCE DANGEROUS DRIVINGDISEASE MANAGEMENT -CARDIOVASCULAR DISEASE -CANCER-MENTAL ILLNESSES-TRAUMA AND ORTHOPAEDIC AILMENTS-WOMEN AND CHILDREN'S MEDICINE WITH AN EMPHASIS ON CHILDREN'S ASTHMA-DIABETES AND OBESITY HEALTH INNOVATION, EDUCATION, AND RESEARCH AND DEVELOPMENT THIS AREA CONCENTRATES ON OPPORTUNITIES FOR -ENHANCING HEALTH CARE EDUCATION, MEDICAL RESEARCH, AND TECHNOLOGY-PROMOTING ECONOMIC AND OTHER DEVELOPMENT OF THE COMMUNITY PARKVIEW HEALTH SYSTEM, INC , AS THE PARENT ORGANIZATION AND THROUGH ITS MEMBER HOSPITALS, ANNUALLY FUNDS LOCAL COMMUNITY HEALTH IMPROVEMENT EFFORTS THESE FUNDS ARE USED TO SUPPORT HEALTH-RELATED, COMMUNITY-BASED PROGRAMS, PROJECTS AND ORGANIZATIONS FUNDS ARE ALSO USED TO SUPPORT COMMUNITY OUTREACH PROGRAMS AND HEALTH INITIATIVES THE EMPHASIS WITH THESE PROJECTS CONTINUES TO BE ON IMPROVING THE HEALTH OF THE COMMUNITIES WE SERVE PARKVIEW HEALTH SYSTEM, INC , THROUGH ITS FLAGSHIP HOSPITAL PARKVIEW HOSPITAL, INC , PROVIDES A COMMUNITY-BASED NURSING PROGRAM THAT PROVIDES SUPPORT AND EDUCATION TO THOUSANDS OF CHILDREN AND THEIR FAMILIES EACH YEAR IN SCHOOL SYSTEMS THROUGHOUT THE REGION OTHER PARKVIEW HOSPITAL, INC OUTREACH PROGRAMS INCLUDE MEDICATION ASSISTANCE, MOBILE MAMMOGRAPHY, NUTRITION EDUCATION AND TRAUMA INJURY PREVENTION EDUCATION CURRENTLY UNDER CONSTRUCTION, THE PARKVIEW REGIONAL MEDICAL CENTER ON THE PARKVIEW HOSPITAL, INC NORTH CAMPUS AND SLATED FOR A MARCH 2012 OPENING REPRESENTS A SIGNIFICANT INVESTMENT IN THE LOCAL COMMUNITY AND THE NORTHEAST INDIANA REGION THE CENTER WILL BLEND THE LATEST MEDICAL TECHNOLOGY WITH THE BEST POSSIBLE PATIENT-CENTERED CARE AND PROVIDE GREATER ACCESS TO HEALTH CARE FOR THE ENTIRE REGION THE PARKVIEW HOSPITAL, INC CAMPUS LOCATED IN NORTH CENTRAL FORT WAYNE WILL RECEIVE A FACELIFT AND REMAIN A VITAL PART OF THE LOCAL NEIGHBORHOOD IN ADDITION, PARKVIEW HOSPITAL, INC WILL BE PARTNERING WITH THE LIFE SCIENCE AND RESEARCH CONSORTIUM OF NORTHEAST INDIANA TO CREATE A CAMPUS FOR ACADEMIC PROGRAMS AND RESEARCH TIED TO BEHAVIORAL HEALTH, REHABILITATION, AND SENIOR CARE
		PART VI, LINE 7 IF THE ORGANIZATION IS PART OF AN AFFILIATED HEALTH CARE SYSTEM, DESCRIBE THE RESPECTIVE ROLES OF THE ORGANIZATION AND ITS AFFILIATES IN PROMOTING THE HEALTH OF THE COMMUNITIES SERVED PARKVIEW HEALTH SYSTEM, INC (PARKVIEW), A HEALTH CARE SYSTEM SERVING NORTHEAST INDIANA, INCLUDES THE NOT-FOR-PROFIT HOSPITALS OF PARKVIEW HOSPITAL, INC , COMMUNITY HOSPITAL OF LAGRANGE COUNTY, INC , COMMUNITY HOSPITAL OF NOBLE COUNTY, INC , WHITLEY MEMORIAL HOSPITAL, INC AND HUNTINGTON MEMORIAL HOSPITAL, INC AS WELL AS 60% OWNERSHIP IN THE JOINT VENTURE OF ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH, LLC PARKVIEW IS GUIDED BY A MISSION TO IMPROVE THE HEALTH OF THE COMMUNITIES IT SERVES PARKVIEW CONTRIBUTES TO THE SUCCESS OF NORTHEAST INDIANA BY EFFICIENTLY OPERATING ITS FACILITIES, DELIVERING HIGH QUALITY HEALTHCARE SERVICES TO ITS PATIENTS, AND PROVIDING SUPPORT TO LOCAL BUSINESSES AND ACTIVITIES PARKVIEW SEEKS TO CREATE ALIGNMENT OPPORTUNITIES TO DELIVER COMPREHENSIVE HIGH-QUALITY CARE THAT BENEFITS ITS PATIENTS, COMMUNITIES, PHYSICIANS, AND CO-WORKERS PARKVIEW PRIDES ITSELF IN NOT ONLY OFFERING THE HIGHEST LEVEL OF CARE TO ITS PATIENTS BUT ALSO IN PROVIDING A WORKPLACE THAT IS SECOND TO NONE FOR ITS PHYSICIANS, NURSES AND STAFF PARKVIEW'S MISSION IS TO PROVIDE QUALITY HEALTH SERVICES TO ALL WHO ENTRUST THEIR CARE TO US AND WILL WORK TO IMPROVE THE HEALTH OF OUR COMMUNITIES PARKVIEW BELIEVES THAT THE COMMUNITIES IT SERVES SHOULD ALL HAVE THE PEACE OF MIND THAT COMES WITH ACCESS TO COMPASSIONATE, HIGH-QUALITY HEALTH CARE, REGARDLESS OF WHETHER THE CARE IS DELIVERED IN A RURAL OR URBAN SETTING
REPORTS FILED WITH STATES	PART VI, LINE 7	IN

Additional Data

Software ID:
Software Version:
EIN: 35-1972384
Name: PARKVIEW HEALTH SYSTEM INC

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

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

How many non-hospital facilities did the organization operate during the tax year? **74**

Name and address	Type of Facility (Describe)
PARKVIEW PHYSICIANS' GROUP 1819 CAREW STREET FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 3909 NEW VISION DRIVE FORT WAYNE,IN 46845	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1818 CAREW STREET FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 11123 PARKVIEW PLAZA DR FORT WAYNE,IN 46845	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 2003 STULTS RD HUNTINGTON,IN 46750	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 11141 PARKVIEW PLAZA DRIVE FORT WAYNE,IN 46845	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 8028 CARNEGIE BLVD FORT WAYNE,IN 46804	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1515 HOBSON ROAD FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 2710 LAKE AVE FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 2414 E STATE FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 885 CONNEXION WAY COLUMBIA CITY,IN 46725	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1331 MINNICH RD NEW HAVEN,IN 46774	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 4665 S STATE RD 5N SOUTH WHITLEY,IN 46787	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 104 NICHOLAS PLACE WAY AVILLA,IN 46710	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 6130 TRIER RD FORT WAYNE,IN 46815	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 7910 W JEFFERSON FORT WAYNE,IN 46804	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 6108 MAPLECREST ROAD FORT WAYNE,IN 46835	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 5104 N CLINTON STREET FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 710 NORTH EAST STREET WABASH,IN 46992	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 2512 E DUPONT FORT WAYNE,IN 46825	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 2300 DUBOIS DRIVE WARSAW,IN 46580	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 13430 MAIN STREET GRABILL,IN 46741	PHYSICIAN OFFICE
PREMIER SURGERY CENTER LLC 1333 MAYCREST DRIVE FORT WAYNE,IN 46805	SURGERY CENTER
PARKVIEW PHYSICIANS' GROUP 15707 OLD LIMA RD HUNTERTOWN,IN 46748	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1234 E DUPONT RD FORT WAYNE,IN 46825	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 4084 N US HWY 33 CHURUBUSCO,IN 46723	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 10515 ILLINOIS ROAD FORT WAYNE,IN 46814	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1464 LINCOLNWAY S LIGONIER,IN 46767	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 333 N OAK STREET COLUMBIA CITY,IN 46725	PHYSICIAN OFFICE
FOUNDATION SURGERY AFF OF FT WAYNE LLC 8004 CARNEGIE BLVD FORT WAYNE,IN 46804	SURGERY CENTER
PARKVIEW PHYSICIANS' GROUP 326 SAWYER ROAD KENDALLVILLE,IN 46755	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 514 N PROFESSIONAL WAY KENDALLVILLE,IN 46755	PHYSICIAN OFFICE
NORTHEAST INDIANA CANCER CENTER LLC 516 E MAUMEE STREET ANGOLA,IN 46703	MEDICAL SERVICES
PARKVIEW PHYSICIANS' GROUP 524 BRANCH COURT COLUMBIA CITY,IN 46725	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 420 SAWYER ROAD KENDALLVILLE,IN 46755	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP US HWY 30 WEST S MATCHETT DR PIERCETON,IN 46562	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 207 N TOWNLINE RD LAGRANGE,IN 46761	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1836 IDA RED ROAD KENDALLVILLE,IN 46755	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 817 TRAIL RIDGE ROAD ALBION,IN 46701	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 240 S JEFFERSON SUITE B HUNTINGTON,IN 46750	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 8175 W US 20 SHIPSHEWANA,IN 46565	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1381 N WAYNE STREET TOTAL ANGOLA,IN 46703	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 3439 HOBSON ROAD FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1722 BEACON ST FORT WAYNE IN,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP MEDICAL ARTS CENTER - WEST AUBURN,IN 46706	PHYSICIAN OFFICE
IMAGING SYSTEMS HOLDINGS LLC 3707 NEW VISION DRIVE FORT WAYNE,IN 46845	IMAGING SERVICES
PARKVIEW PHYSICIANS' GROUP 401 SAWYER ROAD KENDALLVILLE,IN 46755	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 3217 LAKE AVENUE FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 2402 LAKE AVENUE FORT WAYNE,IN 46805	PHYSICIAN OFFICE
FORT WAYNE ENDOSCOPY CENTER LLC 3415 HOBSON ROAD FORT WAYNE,IN 46805	OUTPATIENT SERVICES
PARKVIEW PHYSICIANS' GROUP 500 W VOTAW STREET PORTLAND,IN 47371	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 800 W 600 N HOWE,IN 46746	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 410 E MITCHELL STREET KENDALLVILLE,IN 46755	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 208 N COLUMBUS STREET HICKSVILLE,OH 43526	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 5110 N CLINTON STREET FORT WAYNE,IN 46825	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 2600 N DETROIT STREET LAGRANGE,IN 46761	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 306 E MAUMEE STREET ANGOLA,IN 46703	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1035 W WAYNE STREET PAULDING,OH 45879	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1310 EAST 7TH STREET AUBURN,IN 46706	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1129 FIRST STREET HUNTINGTON,IN 46750	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1726 BEACON ST FORT WAYNE IN,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1391 N BALDWIN AVE MARION,IN 46952	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 3250 INTERTECH DRIVE ANGOLA,IN 46703	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1721 BEACON ST FORT WAYNE IN,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1720 BEACON ST FORT WAYNE IN,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 2001 STULTS RD STE 200 HUNTINGTON,IN 46750	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 344 N MAIN STREET COLUMBIA CITY,IN 46725	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 213 FAIRVIEW BLVD KENDALLVILLE,IN 46755	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 815 HIGH STREET DECATUR,IN 46733	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1724 BEACON ST FORT WAYNE IN,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1725 BEACON ST FORT WAYNE IN,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 577 GEIGER DR STE C ROANOKE,IN 46783	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 276 MANCHESTER AVE WABASH,IN 46992	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 11135 PARKVIEW PLAZA DRIVE FORT WAYNE,IN 46845	PHYSICIAN OFFICE

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed. . . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) IPFW2101 EAST COLISEUM BLVD FORT WAYNE,IN 46805	35-6033698	501 (C) 3	560,546				SUPPORT FOR SCHOOL
(2) UNIVERSITY OF SAINT FRANCIS2701 SPRING STREET FORT WAYNE,IN 46806	35-0886846	501 (C) 3	300,000				SUPPORT FOR SCHOOL
(3) CITY OF FORT WAYNE REDEVELOPMENT COMMISSIONONE EAST MAIN STREET FORT WAYNE,IN 46802		GOVT ORG	150,000				CAPITAL MAINTENANCE & IMPROVEMENT FUND - PARKVIEW FIELD
(4) FRIENDS OF LINCOLN COLLECTION OF INDIANA INCPO BOX 11083 FORT WAYNE,IN 46855	35-2101024	501 (C) 3	83,333				OPERATING FUNDS
(5) FORT 4 FITNESSPO BOX 9007 FORT WAYNE,IN 46899	26-1936423	501 (C) 3	25,000				SPONSORSHIP
(6) RONALD MCDONALD HOUSE CHARITIES OF NORTHEAST INDIANA2200 RANDALLIA DRIVE FORT WAYNE,IN 46805	35-1950376	501 (C) 3	25,000				PROGRAMS & OPERATING FUNDS
(7) AMERICAN HEART ASSOCIATION6100 WEST 96TH STREET INDIANAPOLIS,IN 46278	13-5613797	501 (C) 3	17,760				PROGRAMS & OPERATING FUNDS
(8) UNITY PERFORMING ARTS FOUNDATIONPO BOX 10394 FORT WAYNE,IN 46825	35-2110907	501 (C) 3	12,491				PROGRAMS & OPERATING FUNDS
(9) FORT WAYNE URBAN LEAGUE2135 SOUTH HANNA STREET FORT WAYNE,IN 46803	35-0869052	501 (C) 3	12,000				PROGRAMS & OPERATING FUNDS
(10) AMERICAN RED CROSS 2025 E STREET NW WASHINGTON,DC 20006	53-0196605	501 (C) 3	10,000				PROGRAMS & OPERATING FUNDS
(11) ERINS HOUSE3811 ILLINOIS ROAD SUITE 205 FORT WAYNE,IN 46804	35-1884264	501 (C) 3	8,100				PROGRAMS & OPERATING FUNDS
(12) VERA BRADLEY FOUNDATION FOR BREAST CANCERP O BOX 80201 FORT WAYNE,IN 46898	35-2058177	501 (C) 3	7,500				SUPPORT FOR RESEARCH

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 12

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

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

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

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

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

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

Part I Questions Regarding Compensation

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

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				
See Additional Data Table							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(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
	PART I, LINE 1A	PERSONAL SERVICES TAXABLE ALLOWANCE FOR FINANCIAL PLANNING PAID TO SAILAJA BLACKMON $500, RONALD DOUBLE $750, RAYMOND DUSMAN $500, DOUGLAS GRAY $385, DUANE HOUGENDOBLER $500, JAMES STAPEL $300, CATHERINE WILCOX $675
	PART I, LINE 4B	SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN PAYMENTS TAXABLE - ARTHUR DETORE $19,057, JEFFREY FRANCIS $8,835, RICK HENVEY $10,364, CHARLES MASON $448,413, JAMES WITMER $10,432 PARTICIPANTS DEFERRED - JEFFREY BROOKES $30,137, MICHAEL BROWNING $3,835, ARTHUR DETORE $40,815, RONALD DOUBLE $25,280, JAMES HAUGUEL $21,240, RICK HENVEY $27,942, MARK NAFZIGER $46,704, MICHAEL PACKNETT $133,296, JAMES STAPEL $30,902, CATHERINE WILCOX $32,336, DEBRA WILLIAMS $27,547, JAMES WITMER $22,640
	PART I, LINE 7	MANAGEMENT INCENTIVE COMPENSATION PLAN (MICP) IS AN ANNUAL INCENTIVE PROGRAM SYSTEM GOALS ARE APPROVED BY THE BOARD IN ADVANCE OF THE PLAN YEAR AT CONCLUSION OF THE PLAN YEAR, RESULTS ARE SHARED WITH THE BOARD AND THE BOARD APPROVES FINAL PAYMENT

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 35-1972384
Name: PARKVIEW HEALTH SYSTEM INC

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
MICHAEL PACKNETT	(I)	638,622	270,643	2,838	145,546	13,373	1,071,022	0
	(II)	0	0	0	0	0	0	0
RAYMOND DUSMAN	(I)	604,787	0	18,638	26,950	17,705	668,080	0
	(II)	0	0	0	0	0	0	0
DUANE HOUGENDOBLER	(I)	442,820	67,760	3,334	26,919	21,373	562,206	0
	(II)	592	0	4	31	25	652	0
MITCHELL STUCKY	(I)	150,034	13,109	1,595	15,693	6,656	187,087	0
	(II)	116,923	0	1,243	11,257	4,775	134,198	0
JEFFREY FRANCIS	(I)	103,936	56,980	45,886	5,960	9,309	222,071	8,835
	(II)	0	0	0	0	0	0	0
STANTON RISSER	(I)	106,781	31,911	180	7,098	17,716	163,686	0
	(II)	0	0	0	0	0	0	0
MARK NAFZIGER	(I)	407,974	162,245	18,733	54,054	2,884	645,890	0
	(II)	0	0	0	0	0	0	0
ARTHUR DETORE	(I)	335,903	75,118	38,395	66,540	13,179	529,135	19,057
	(II)	0	0	0	0	0	0	0
CATHERINE WILCOX	(I)	261,323	68,254	18,813	48,154	12,771	409,315	0
	(II)	0	0	0	0	0	0	0
JEFFREY BROOKES	(I)	10,110	67,189	106	10,318	2,511	90,234	0
	(II)	260,295	0	2,732	35,061	8,534	306,622	0
JAMES STAPEL	(I)	250,722	64,104	21,063	59,943	14,977	410,809	0
	(II)	1,857	0	153	359	90	2,459	0
RICK HENVEY	(I)	237,847	52,777	11,024	32,842	20,784	355,274	10,364
	(II)	0	0	0	0	0	0	0
RONALD DOUBLE	(I)	243,971	51,753	1,740	51,005	6,967	355,436	0
	(II)	0	0	0	0	0	0	0
DEBRA WILLIAMS	(I)	229,857	56,396	1,100	33,672	9,033	330,058	0
	(II)	0	0	0	0	0	0	0
JAMES WITMER	(I)	192,937	49,956	13,321	35,904	4,704	296,822	10,432
	(II)	0	0	0	0	0	0	0
JAMES HAUGUEL	(I)	180,055	33,008	69	36,376	8,033	257,541	0
	(II)	0	0	0	0	0	0	0
SAILAJA BLACKMON	(I)	711,376	75,971	1,490	17,150	27,625	833,612	0
	(II)	0	0	0	0	0	0	0
DAVID SOWDEN	(I)	641,369	83,787	20,843	26,936	14,254	787,189	0
	(II)	387	0	13	14	8	422	0
DOUGLAS GRAY	(I)	606,315	93,131	17,985	22,050	21,563	761,044	0
	(II)	0	0	0	0	0	0	0
DAVID LLOYD	(I)	605,879	83,799	20,856	17,150	20,390	748,074	0
	(II)	0	0	0	0	0	0	0
SATISH VELAGAPUDI	(I)	634,354	0	18,138	17,150	17,625	687,267	0
	(II)	0	0	0	0	0	0	0
CHARLES MASON	(I)	0	0	448,413	0	0	448,413	448,413
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

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.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

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	45471ABQ4	08-27-2009	264,703,254	SEE PART V		X		X		X
B	INDIANA FINANCE AUTHORITY	35-1602316	45471AAS1	08-27-2009	223,665,000	SEE PART V		X		X		X
C	INDIANA FINANCE AUTHORITY	35-1602316	NONEAVAIL	05-04-2010	30,000,000	SEE PART V		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	7,910,000			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	264,704,689	223,909,069	30,000,000	
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	3,451,766	1,367,866	155,500	
8	Credit enhancement from proceeds	193,601	193,601		
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	140,225,815	140,225,815	12,900,000	
11	Other spent proceeds	261,252,923	73,266,604		
12	Other unspent proceeds	8,855,183	8,855,183	16,944,500	
13	Year of substantial completion	2009	2011	2011	

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X			X		
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X			X		X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		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		X		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?	X		X		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		X		X			
b	Are there any research agreements that may result in private business use of bond-financed property?	X		X		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		X		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 %		0 %		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 %		0 %		0 %			
6	Total of lines 4 and 5	0 %		0 %		0 %			
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		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		X		X		
2	Is the bond issue a variable rate issue?		X	X		X			
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X	X			X		
b	Name of provider	NA		CITIGROUP		NA			
c	Term of hedge	20 000000000000		20 000000000000					
d	Was the hedge superintegrated?		X		X				
e	Was a hedge terminated?		X		X				
4a	Were gross proceeds invested in a GIC?		X		X		X		
b	Name of provider	NA		NA		NA			
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		X		X		
6	Did the bond issue qualify for an exception to rebate?	X		X		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 K, PART 1,A,F	DESCRIPTION OF PURPOSE	SERIES 2009A - 1) PARTIALLY REFUNDED OUTSTANDING 2005 SERIES BOND ISSUE 2) PARTIALLY REFUNDED OUTSTANDING BONDS FOR 2001 SERIES BOND ISSUE
SCHEDULE K, PART 1,B,F	DESCRIPTION OF PURPOSE	SERIES 2009BCD - 1) NEW MONEY FOR CONSTRUCTION OF NEW HOSPITAL IN FORT WAYNE, IN 2) FULLY REFUNDED BALANCE OF OUTSTANDING 2005 SERIES BONDS
SCHEDULE K, PART 1,C,F	DESCRIPTION OF PURPOSE	SERIES 2010 - NEW MONEY FOR CONSTRUCTION OF NEW PARKVIEW WHITLEY HOSPITAL FACILITY IN COLUMBIA CITY, IN
SCHEDULE K, PART II, 3, C	TOTAL PROCEEDS ON ISSUE	THIS IS A CONSTRUCTION DRAW BOND AND THEREFORE NO INTEREST WILL BE EARNED ON ANY PROJECT FUNDS
SCHEDULE K, PART III, LINES 4-6	PRIVATE BENEFIT USE	PARKVIEW HEALTH SYSTEM, INC CLOSELY MONITORS THE LEVEL OF PRIVATE USE AT OUR BOND FINANCED FACILITIES THE LEVEL OF EQUITY PROVIDED BY PARKVIEW HEALTH SYSTEM, INC FOR THIS FACILITY IS MORE THAN SUFFICIENT TO COVER THE LOW LEVEL OF PRIVATE USE OCCURING WITHIN THE FACILITY CONSTRUCTED IN PART WITH BOND FINANCING
See Additional Data Table		

Part V Supplemental Information

Identifier	Return Reference	Explanation
SCHEDULE K, PART 1,A,F	DESCRIPTION OF PURPOSE	SERIES 2009A - 1) PARTIALLY REFUNDED OUTSTANDING 2005 SERIES BOND ISSUE 2) PARTIALLY REFUNDED OUTSTANDING BONDS FOR 2001 SERIES BOND ISSUE
SCHEDULE K, PART 1,B,F	DESCRIPTION OF PURPOSE	SERIES 2009BCD - 1) NEW MONEY FOR CONSTRUCTION OF NEW HOSPITAL IN FORT WAYNE, IN 2) FULLY REFUNDED BALANCE OF OUTSTANDING 2005 SERIES BONDS
SCHEDULE K, PART 1,C,F	DESCRIPTION OF PURPOSE	SERIES 2010 - NEW MONEY FOR CONSTRUCTION OF NEW PARKVIEW WHITLEY HOSPITAL FACILITY IN COLUMBIA CITY, IN
SCHEDULE K, PART II, 3, C	TOTAL PROCEEDS ON ISSUE	THIS IS A CONSTRUCTION DRAW BOND AND THEREFORE NO INTEREST WILL BE EARNED ON ANY PROJECT FUNDS
SCHEDULE K, PART III, LINES 4-6	PRIVATE BENEFIT USE	PARKVIEW HEALTH SYSTEM, INC CLOSELY MONITORS THE LEVEL OF PRIVATE USE AT OUR BOND FINANCED FACILITIES THE LEVEL OF EQUITY PROVIDED BY PARKVIEW HEALTH SYSTEM, INC FOR THIS FACILITY IS MORE THAN SUFFICIENT TO COVER THE LOW LEVEL OF PRIVATE USE OCCURING WITHIN THE FACILITY CONSTRUCTED IN PART WITH BOND FINANCING

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ **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.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV **Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) FCFP LLC	ENTITY OF WHICH DIRECTOR MITCHELL STUCKY OWNED A GREATER THAN 5% INTEREST	789,632	RENTAL OF PROPERTY TO PARKVIEW HEALTH SYSTEM, INC - TRANSACTIONS WERE ENTERED INTO AT ARM'S LENGTH ADDITIONALLY, DIRECTOR MITCHELL STUCKY DOES NOT PARTICIPATE IN THE DISCUSSIONS/DECISION TO LEASE PROPERTY OR THE LEASE TERMS AND PAYMENTS		No
(2) NORTHEAST ORTHOPAEDIC HOSPITAL INVESTORS LLC	ENTITY OF WHICH DIRECTOR MICHAEL LEE OWNED A GREATER THAN 5% INTEREST	21,198,333	PARKVIEW HEALTH SYSTEM, INC AND NORTHEAST ORTHOPAEDIC HOSPITAL INVESTORS, LLC ARE BOTH MEMBERS IN THE JOINT VENTURE OF ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH, LLC THE TOTAL AMOUNT INVESTED BY PARKVIEW HEALTH SYSTEM, INC IN THE JOINT VENTURE AS OF 12/31/2010 IS $21,198,333		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)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2		KEY EMPLOYEE JAMES WITMER AND DIRECTORS THOMAS BEAVER AND CHARLES SCHRIMPER HAVE A BUSINESS RELATIONSHIP AS DIRECTORS ON THE BOARD OF AN UNRELATED ENTITY

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 4		DURING 2010, SEVERAL CHANGES WERE MADE TO THE BYLAWS OF PARKVIEW HEALTH SYSTEM, INC AND ARE AS FOLLOWS THE CHANGED PORTION AS NOW FINALIZED, OF ARTICLE IV, SECTION 2 IS AS FOLLOWS WHEN VACANCIES ON THE BOARD OCCUR BY REASON OF DEATH, RESIGNATION, OR OTHERWISE, THE NUMBER OF DIRECTORS SHALL BE REDUCED BY SUCH VACANCIES UNTIL QUALIFIED REPLACEMENTS ARE ELECTED, AS SET FORTH IN ARTICLE IV, SECTION 4 ARTICLE IV, SECTION 3 IS AS FOLLOWS ELECTED DIRECTORS SHALL SERVE FOR A TERM OF THREE (3) YEARS AND UNTIL A SUCCESSOR HAS BEEN DULY ELECTED AND QUALIFIED NO ELECTED DIRECTOR SHALL BE ELIGIBLE FOR ELECTION TO MORE THAN THREE (3) CONSECUTIVE THREE (3) YEAR TERMS AFTER AN ABSENCE OF ONE (1) YEAR, A PERSON SHALL BECOME ELIGIBLE FOR RE-ELECTION TO THE BOARD TERMS SHALL COMMENCE ON JANUARY 1 OF EACH CALENDAR YEAR IF A DIRECTOR BEGINS THEIR SERVICE MIDWAY THROUGH THE YEAR (JUNE 30TH) OR AFTER, THE DIRECTOR SHALL NOT BE DEEMED TO HAVE COMMENCED THE FIRST YEAR OF THEIR TERM UNTIL JANUARY 1 OF THE FOLLOWING YEAR ARTICLE IV, SECTION 4 IS AS FOLLOWS IN THE EVENT THAT A VACANCY OF A DIRECTOR WHO IS NOT SERVING IN AN EX OFFICIO CAPACITY OCCURS IN THE BOARD, THE EXECUTIVE COMMITTEE SHALL NOMINATE A CANDIDATE AND PRESENT THE NAME TO THE BOARD THE NEW DIRECTOR SHALL NOT SERVE FOR THE UNEXPIRED TERM OF THE DIRECTOR THAT IS REPLACED, BUT SHALL INSTEAD BEGIN THEIR OWN TERM ON THE BOARD ANY CURRENT DIRECTOR THAT FILLED AN UNEXPIRED TERM OF THEIR PREDECESSOR PRIOR TO JANUARY 1, 2010, SHALL BE "GRANDFATHERED" ARTICLE IV, SECTION 9 IS AS FOLLOWS THE CHAIR, REGARDLESS OF TENURE OF BOARD MEMBERSHIP AND THE RESTRICTIONS OF ELIGIBILITY SET FORTH IN THIS ARTICLE, MAY BE SUCCESSIVELY ELECTED FOR NO MORE THAN FIVE (5) ONE-YEAR TERMS, WHERE CONSECUTIVE SERVICE AS THE CHAIR IS DETERMINED TO BE APPROPRIATE FOR ORGANIZATIONAL EFFECTIVENESS AFTER SERVICE AS CHAIR, THE CHAIR SHALL NOT BE ELIGIBLE FOR RE-ELECTION TO THE SAME POSITION UNTIL EXPIRATION OF THREE (3) INTERVENING YEARS IF A CHAIR'S NORMAL TERM AS A DIRECTOR EXPIRES WHILE SERVING AS THE CHAIR, AND IF HE/SHE IS NOMINATED FOR RE-ELECTION AS CHAIR, IN ORDER TO SERVE AS CHAIR, HE/SHE WILL BE RE-ELECTED TO THE BOARD FOR AN ADDITIONAL YEAR BEYOND THEIR TERM AS CHAIR, SECTION 3 OF THIS ARTICLE NOTWITHSTANDING THE CHANGED PORTION AS NOW FINALIZED, OF ARTICLE V, SECTION 2 IS AS FOLLOWS THE CHAIR SHALL APPOINT MEMBERS AND CHAIRS OF ALL STANDING COMMITTEES AND SUCH SPECIAL COMMITTEES AS MAY BE CONSTITUTED THE CHAIR MAY, AT HIS/HER DISCRETION, ATTEND AND VOTE AS AN EX OFFICIO MEMBER AT ALL COMMITTEE MEETINGS ARTICLE VI, SECTION 1 IS AS FOLLOWS THE BOARD MAY ESTABLISH FROM TIME TO TIME SUCH STANDING AND SPECIAL COMMITTEES AS IT SHALL DEEM NECESSARY FOR THE CONDUCT OF THE CORPORATION'S AFFAIRS UNLESS THE COMMITTEE MEMBERSHIP IS OTHERWISE SPECIFIED BY THESE BYLAWS, ALL STANDING COMMITTEES SHALL BE COMPOSED OF NOT LESS THAN FIVE (5) MEMBERS MEMBERSHIP ON THE PARKVIEW HEALTH BOARD, OR A PARKVIEW HEALTH SUBSIDIARY OR AFFILIATE BOARD, SHALL NOT BE A REQUIREMENT FOR COMMITTEE MEMBERSHIP OR FOR SERVICE AS A COMMITTEE CHAIR UNLESS OTHERWISE SPECIFIED IN THESE BYLAWS, THE CHAIR OF THE BOARD SHALL APPOINT THE COMMITTEE MEMBERS AND THE CHAIR OF EACH COMMITTEE AND DESIGNATE THE TERM OF OFFICE FOR EACH COMMITTEE MEMBER NOTWITHSTANDING ANY SPECIAL DESIGNATION WITHIN THESE BYLAWS AS TO THE COMPOSITION OF A PARTICULAR COMMITTEE, THE CHAIR MAY DESIGNATE OTHER COMMITTEE MEMBERS AS DEEMED NECESSARY EXCEPT AS TO THE AUDIT COMMITTEE, THE PRESIDENT AND CHIEF EXECUTIVE OFFICER SHALL BE A MEMBER OF EACH COMMITTEE AND MAY DESIGNATE ANOTHER DIRECTOR OR OFFICER TO ATTEND COMMITTEE MEETINGS ON HIS/HER BEHALF ALL COMMITTEES SHALL KEEP MINUTES OF THEIR MEETINGS AND SUBMIT THE MINUTES TO THE BOARD ARTICLE VI, SECTION 4(A)IS AS FOLLOWS THE EXECUTIVE COMMITTEE SHALL BE COMPOSED OF THE CHAIR OF THE BOARD, VICE CHAIR OF THE BOARD, THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, TREASURER AND SECRETARY OF THE CORPORATION AND AT LEAST ONE DIRECTOR WHO IS AN EX-OFFICIO VOTING MEMBER OF THE BOARD AND SUCH OTHER DIRECTORS AS ARE DESIGNATED BY THE CHAIR OF THE BOARD THE EXECUTIVE COMMITTEE MAY ACT AS THE EXECUTIVE COMPENSATION COMMITTEE FOR THE CORPORATION OTHER THAN THE PRESIDENT AND CHIEF EXECUTIVE OFFICER (WHO SHALL NOT PARTICIPATE WITH THE EXECUTIVE COMMITTEE WHEN IT ACTS AS THE EXECUTIVE COMPENSATION COMMITTEE), ALL VOTING MEMBERS OF THE EXECUTIVE COMMITTEE SHALL BE INDEPENDENT, AS DEFINED BY THE INTERNAL REVENUE SERVICE AT THE DISCRETION OF THE CHAIR, OTHERS MAY BE INVITED TO PARTICIPATE IN EXECUTIVE COMMITTEE MEETINGS WITHOUT VOTE THE CHAIR OF THE BOARD SHALL SERVE AS CHAIR OF THE EXECUTIVE COMMITTEE THE CHANGED PORTION AS NOW FINALIZED, OF ARTICLE VI, SECTION 4(B) IS AS FOLLOWS THE EXECUTIVE COMMITTEE MAY ACT ON BEHALF OF THE CORPORATION IN ANY MATTER WHEN THE BOARD IS NOT IN SESSION IN ADDITION, THE COMMITTEE SHALL PERFORM ALL RESPONSIBILITIES DELEGATED TO IT BY THE BOARD THE EXECUTIVE COMMITTEE MAY SERVE AS THE EXECUTIVE COMPENSATION COMMITTEE FOR THE CORPORATION AND ALL OF ITS ENTITIES, AS DETERMINED BY THE CHAIR OF THE BOARD, AT WHICH TIME, THE EXECUTIVE COMPENSATION COMMITTEE SHALL ESTABLISH THE COMPENSATION FOR ALL KEY MANAGEMENT PERSONNEL, PURSUANT TO THE STANDARDS OF CONDUCT RELATING TO EXECUTIVE COMPENSATION NO OTHER BOARD OR COMMITTEE CAN APPROVE EXECUTIVE COMPENSATION ARRANGEMENTS THE CHANGED PORTION AS NOW FINALIZED, OF ARTICLE VI, SECTION 5(B) IS AS FOLLOWS THE SYSTEM FINANCE COMMITTEE SHALL CONSIST OF AT LEAST FIVE (5) MEMBERS, THE MAJORITY OF WHOM SHALL BE DISINTERESTED, AND SHALL INCLUDE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, THE CHIEF FINANCIAL OFFICER AND INCLUDE PARKVIEW HEALTH SERVICE AREA REPRESENTATION, AS DESIGNATED BY THE CHAIR OF THE BOARD THE CHANGED PORTION AS NOW FINALIZED, OF ARTICLE VI, SECTION 5(C) IS AS FOLLOWS THE SYSTEM CORPORATE COMPLIANCE COMMITTEE SHALL CONSIST OF AT LEAST FIVE (5) MEMBERS, THE MAJORITY OF WHOM SHALL BE DISINTERESTED, AND SHALL INCLUDE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, THE CORPORATE COMPLIANCE OFFICER, AND INCLUDE PARKVIEW HEALTH SERVICE AREA REPRESENTATION, AS DESIGNATED BY THE CHAIR OF THE BOARD THE CHANGED PORTION AS NOW FINALIZED, OF ARTICLE VI, SECTION 5(D) IS AS FOLLOWS THE QUALITY COMMITTEE SHALL CONSIST OF AT LEAST FIVE (5) MEMBERS, AND SHALL INCLUDE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, THE ADMINISTRATIVE CORPORATE OFFICER RESPONSIBLE FOR THE SYSTEM'S QUALITY INITIATIVES, AND INCLUDE PARKVIEW HEALTH SERVICE AREA REPRESENTATION, AS DESIGNATED BY THE CHAIR OF THE BOARD THE CHANGED PORTION AS NOW FINALIZED, OF ARTICLE VI, SECTION 5(E) IS AS FOLLOWS THE SYSTEM AUDIT COMMITTEE SHALL CONSIST OF AT LEAST FIVE (5) MEMBERS, THE MAJORITY OF WHOM SHALL BE DISINTERESTED, AND SHALL INCLUDE THE CHAIR OF THE AUDIT COMMITTEE, WHO SHALL BE DISINTERESTED, AND INCLUDE PARKVIEW HEALTH SERVICE AREA REPRESENTATION, AS DESIGNATED BY THE CHAIR OF THE BOARD THE AUDIT COMMITTEE SHALL BE CONDUCTED CONSISTENT WITH THE TERMS OF THE AUDIT COMMITTEE CHARTER THE SYSTEM AUDIT COMMITTEE MAY ACT ON BEHALF OF THE CORPORATION TO PROVIDE REVIEW OF THE CORPORATION AND ITS AFFILIATE AND SUBSIDIARY CORPORATIONS' FORM 990 FILINGS THE CHANGED PORTION AS NOW FINALIZED, OF ARTICLE VI, SECTION 5(F) IS AS FOLLOWS THE SYSTEM INFORMATION TECHNOLOGY GOVERNANCE COMMITTEE SHALL CONSIST OF AT LEAST FIVE (5) MEMBERS, THE MAJORITY OF WHOM SHALL BE DISINTERESTED, AND SHALL INCLUDE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, THE CHIEF INFORMATION OFFICER, AND INCLUDE PARKVIEW HEALTH SERVICE AREA REPRESENTATION, AS DESIGNATED BY THE CHAIR OF THE BOARD

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

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

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

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

Identifier	Return Reference	Explanation
COMMON PAYING AGENT FOR FILING ORGANIZATION	FORM 990, PART V, LINE 1A, 2A AND PART VII, SECTION B, LINE 2	PARKVIEW HEALTH SYSTEM, INC (PH), EIN 35-1972384, IS THE COMMON PAYING AGENT FOR THE FILING ORGANIZATION AS WELL AS RELATED ENTITIES THEREFORE, ALL APPLICABLE IRS TAX FILINGS, INCLUDING FORMS 1099, 1096, W-2 AND W-3 ARE REPORTED AND FILED BY PH THE TOTAL NUMBER REPORTED IN BOX 3 OF FORM 1096 AND FILED BY THE COMMON PAYING AGENT, PH, FOR THE YEAR ENDED DECEMBER 31, 2010 WAS 510 THE TOTAL NUMBER OF EMPLOYEES REPORTED ON FORM W-3 AND FILED BY THE COMMON PAYING AGENT, PH, FOR THE YEAR ENDED DECEMBER 31, 2010 WAS 7,707 FOR PURPOSES OF COMPLETING FORM 990, PART V, LINE 1A AND 2A, THE NUMBER REPORTED FOR PARKVIEW HEALTH SYSTEM, INC WAS 249 AND 2,190 RESPECTIVELY AS REFLECTED IN PART VII, SECTION B, APPROXIMATELY 18 INDEPENDENT CONTRACTORS RECEIVED MORE THAN $100,000 IN COMPENSATION FOR SERVICES FROM PARKVIEW HEALTH SYSTEM, INC

Identifier	Return Reference	Explanation
AVERAGE HOURS PER WEEK DEVOTED TO RELATED ORGANIZATIONS	FORM 990, PART VII, SECTION A, COLUMN B	MICHAEL PACKNETT (DIRECTOR/PH CEO), MICHAEL BROWNING (CURRENT PH SVP & CFO), JEFFREY FRANCIS (PH SVP & CFO), STANTON RISSER (INTERIM PH CFO), MARK NAFZIGER (PH EVP & COO), CATHERINE WILCOX (PH SVP), RONALD DOUBLE (PH CIO), AND DEBRA WILLIAMS (PH SVP) DEVOTED APPROXIMATELY 40 HOURS PER WEEK TO PARKVIEW HEALTH SYSTEM, INC (PH), AND ONE HOUR PER WEEK TO EACH OF THE FOLLOWING TAX-EXEMPT AND TAXABLE ORGANIZATIONS RELATED TO PH PARKVIEW HOSPITAL, INC (PVHOS) PARKVIEW OCCUPATIONAL HEALTH CENTERS, INC (POHCI) HUNTINGTON MEMORIAL HOSPITAL, INC (HMHOS) COMMUNITY HOSPITAL OF LAGRANGE COUNTY, INC (LGHOS) COMMUNITY HOSPITAL OF NOBLE COUNTY, INC (NBHOS) WHITLEY MEMORIAL HOSPITAL, INC (WMHOS) PARKVIEW FOUNDATION, INC (PVFND) PARKVIEW HUNTINGTON HOSPITAL FOUNDATION, INC (HMFND) COMMUNITY HOSPITAL OF NOBLE COUNTY FOUNDATION, INC (NBFND) WHITLEY MEMORIAL HOSPITAL FOUNDATION, INC (WMFND) PARKVIEW PROFESSIONAL PROGRAMS, INC (PPP) MIDWEST COMMUNITY HEALTH ASSOCIATES, INC (MCHA) ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH, LLC (ORTHO) MANAGED CARE SERVICES, LLC (MCS) FOUNDATION SURGERY AFFILIATE OF FORT WAYNE, LLC (ISCLC) PARKVIEW IMAGING HUNTINGTON, LLC (PIHLC) DUANE HOUGENDOBLER (DIRECTOR/PH PHYSICIAN) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO HMHOS AND 40 HOURS PER WEEK TO PH MITCHELL STUCKY (DIRECTOR/PH PHYSICIAN) DEVOTED APPROXIMATELY 20 HOURS PER WEEK TO PVHOS AND 20 HOURS PER WEEK TO PH MICHAEL AXEL (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO NBHOS AND ONE HOUR PER WEEK TO PH RICHARD BAKER (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO HMHOS AND ONE HOUR PER WEEK TO PH THOMAS BEAVER (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PH DAVID HAIST (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PH LAURA LEFEVER (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO WMFND, ONE HOUR PER WEEK TO PH AND ONE HOUR PER WEEK TO WMHOS JOHN PRICE (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO LGHOS, AND ONE HOUR PER WEEK TO PH WIL SMITH (DIRECTOR/TREASURER) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PH JEFFREY BROOKES (PH MEDICAL DIR - COMMUNITY HOSPITALS) DEVOTED APPROXIMATELY 10 HOURS PER WEEK TO HMHOS, 10 HOURS PER WEEK TO LGHOS, 10 HOURS PER WEEK TO NBHOS, 10 HOURS PER WEEK TO WMHOS AND ONE HOUR PER WEEK TO PH JAMES STAPEL (PH MEDICAL DIR - PPG) DEVOTED APPROXIMATELY 40 HOURS PER WEEK TO PH AND AS-NEEDED HOURS TO HMHOS, LGHOS, NBHOS, AND WMHOS RICK HENVEY (PH COO-COMMUNITY HOSPITALS) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO WMFND FOR PARTIAL YEAR WHILE WMHOS INTERIM COO, 40 HOURS PER WEEK TO WMHOS FOR PARTIAL YEAR WHILE WMHOS INTERIM COO, 40 HOURS PER WEEK TO PH FOR PARTIAL YEAR DURING HIS REGULAR POSITION OF PH COO-COMMUNITY HOSPITALS AND ONE HOUR PER WEEK TO PVHOS, POHCI, HMHOS, LGHOS, AND NBHOS

Identifier	Return Reference	Explanation
SALES OF SECURITIES	FORM 990 PART VIII, LINES 7A, B & C, COLUMN I	LINE 7A GROSS AMOUNT FROM SALES OF ASSETS OTHER THAN INVENTORY $1,811,336,398 LINE 7B LESS COST OR OTHER BASIS AND SALES EXPENSES $1,807,162,087 LINE 7C GAIN OR (LOSS) $4,174,310

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

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 4,966,345 ASSET ADJUSTMENT TRANSFERS 733,097 BOOK/TAX DIFF FROM K-1'S 1,409,219 CURRENT YEAR EARNINGS TRANSFERRED FROM 501(C) 3'S 40,714,705 AMORTIZE BOND SWAP OCI 42,600 ADJUST OCI FOR PENSION 3,308,875 TOTAL TO FORM 990, PART XI, LINE 5 51,174,841

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

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

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
(1) NORTHEAST OBSTETRICS & GYNECOLOGY INC 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 32-0118260	PHYSICIANS	IN			N/A
(2) NEW VISION PROFESSIONAL PARK LLC 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 35-1972384	REAL ESTATE	IN	1,052,802	15,783,401	N/A
(3) TRI-STATE MEDICAL IMAGING LLC 3250 INTERTECH DR SUITE D ANGOLA, IN 46703 20-4212330	RADIOLOGY	IN	211,222	1,578,000	COMMUNITY HOSPITAL OF NOBLE COUNTY INC
(4) FORT WAYNE ENDOSCOPY CENTER LLC 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 43-1957176	ENDOSCOPY	IN	420,850	1,843,340	N/A

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
See Additional Data Table							

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) ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH LLC 10501 CORPORATE DRIVE FORT WAYNE, IN46845 26-0143823	ORTHO HOSPITAL	IN		RELATED	10,508,713	23,711,805		No		Yes		60 000 %
(2) FOUNDATION SURGERY AFFILIATE OF FORT WAYNE LLC 8004 CARNEGIE BLVD FORT WAYNE, IN46804 20-1394120	SURGICAL SERVICES	IN		RELATED	743,187	657,362		No		Yes		51 000 %
(3) MANAGED CARE SERVICES LLC 2200 RANDALLIA DRIVE FORT WAYNE, IN46805 35-1996535	HEALTH PLAN ADMIN	IN		RELATED	225,388	1,758,204		No		Yes		90 000 %
(4) PARKVIEW IMAGING HUNTINGTON LLC 10501 CORPORATE DRIVE FORT WAYNE, IN46845 20-8651460	EQUIPMENT LEASING	IN	HUNTINGTON MEMORIAL HOSPITAL INC	RELATED				No			No	

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

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

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

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

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) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

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

Part VII Supplemental Information

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

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

Additional Data Return to Form

Software ID:
Software Version:
EIN: 35-1972384
Name: PARKVIEW HEALTH SYSTEM INC

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
PARKVIEW HOSPITAL INC 2200 RANDALLIA DRIVE FORT WAYNE, IN46805 35-0868085	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC	Yes	
PARKVIEW FOUNDATION INC 2200 RANDALLIA DRIVE FORT WAYNE, IN46805 23-7220589	FUND MGMT	IN	501(C)(3)	LINE 11A, I	PARKVIEW HOSPITAL INC	Yes	
PARKVIEW OCCUPATIONAL HEALTH CENTERS INC 2200 RANDALLIA DRIVE FORT WAYNE, IN46805 35-2064353	OCCUP HEALTH	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC	Yes	
COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC 207 N TOWNLINE ROAD LAGRANGE, IN46761 20-2401676	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC	Yes	
COMMUNITY HOSPITAL OF NOBLE COUNTY INC 401 SAWYER ROAD KENDALLVILLE, IN46755 35-2087092	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC	Yes	
COMMUNITY HOSPITAL OF NOBLE COUNTY FOUNDATION INC 401 SAWYER ROAD KENDALLVILLE, IN46755 35-2089183	FUND MGMT	IN	501(C)(3)	LINE 11A, I	COMMUNITY HOSPITAL OF NOBLE COUNTY INC	Yes	
WHITLEY MEMORIAL HOSPITAL INC 353 N OAK STREET COLUMBIA CITY, IN46725 35-1967665	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC	Yes	
WHITLEY MEMORIAL HOSPITAL FOUNDATION INC 353 N OAK STREET COLUMBIA CITY, IN46725 31-1190239	FUND MGMT	IN	501(C)(3)	LINE 11A, I	WHITLEY MEMORIAL HOSPITAL INC	Yes	
HUNTINGTON MEMORIAL HOSPITAL INC 2001 STULTS ROAD HUNTINGTON, IN46750 35-1970706	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC	Yes	
PARKVIEW HUNTINGTON HOSPITAL FOUNDATION INC 2001 STULTS ROAD HUNTINGTON, IN46750 32-0012095	FUND MGMT	IN	501(C)(3)	LINE 11A, I	HUNTINGTON MEMORIAL HOSPITAL INC	Yes	

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(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
PARKVIEW PROFESSIONAL PROGRAMS INC 2200 RANDALLIA DRIVE FORT WAYNE, IN46805 35-1668888	REFERENCE LAB	IN	PARKVIEW HOSPITAL INC	C	14,822,049	2,308,214	
PARKVIEW PROFESSIONAL BILLINGS INC 2200 RANDALLIA DRIVE FORT WAYNE, IN46805 35-1950305	BILLING	IN	PARKVIEW HOSPITAL INC	C	1,680		
FIRST CARE FAMILY PHYSICIANS PC 10501 CORPORATE DRIVE FORT WAYNE, IN46845 35-1714247	PHYSICIANS	IN	N/A	C	206,520		100 000 %
FORT WAYNE CARDIOVASCULAR SURGEONS PC 10501 CORPORATE DRIVE FORT WAYNE, IN46845 35-1150847	PHYSICIANS	IN	N/A	C	26,374	35,580	100 000 %
NORTHEAST INDIANA COLON AND RECTAL SURGEONS PC 10501 CORPORATE DRIVE FORT WAYNE, IN46845 35-2032295	PHYSICIANS	IN	N/A	C	68,897		100 000 %
FORT WAYNE CARDIOLOGY CORPORATION 10501 CORPORATE DRIVE FORT WAYNE, IN46845 61-1419843	PHYSICIANS	IN	N/A	C	2,715,382	817,659	100 000 %
GI CONSULTANTS INC 10501 CORPORATE DRIVE FORT WAYNE, IN46845 35-1460624	PHYSICIANS	IN	N/A	C	225,254		100 000 %
MIDWEST COMMUNITY HEALTH ASSOCIATES INC 442 W HIGH STREET BRYAN, OH43506 34-1045870	PHYSICIANS	OH	N/A	C		13,477,487	100 000 %
SIGNATURE CARE INC 2200 RANDALLIA DRIVE FORT WAYNE, IN46805 38-3069801	INVESTMENT	IN	N/A	C	-509		100 000 %

Form 990, Schedule R, Part V - Transactions With Related Organizations

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	HUNTINGTON MEMORIAL HOSPITAL INC	A	1,925,802	PART VII SUPPLEMENTAL INFORMATION
(2)	COMMUNITY HOSPITAL OF NOBLE COUNTY INC	A	11,846	PART VII SUPPLEMENTAL INFORMATION
(3)	PARKVIEW OCCUPATIONAL HEALTH CENTERS INC	A	59,275	PART VII SUPPLEMENTAL INFORMATION
(4)	PARKVIEW HOSPITAL INC	A	854,933	PART VII SUPPLEMENTAL INFORMATION
(5)	WHITLEY MEMORIAL HOSPITAL INC	A	481,981	PART VII SUPPLEMENTAL INFORMATION
(6)	COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	A	4,914	PART VII SUPPLEMENTAL INFORMATION
(7)	COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	D	10,596,241	PART VII SUPPLEMENTAL INFORMATION
(8)	HUNTINGTON MEMORIAL HOSPITAL INC	I	1,925,802	PART VII SUPPLEMENTAL INFORMATION
(9)	PARKVIEW OCCUPATIONAL HEALTH CENTERS INC	I	59,275	PART VII SUPPLEMENTAL INFORMATION
(10)	PARKVIEW HOSPITAL INC	I	854,933	PART VII SUPPLEMENTAL INFORMATION
(11)	WHITLEY MEMORIAL HOSPITAL INC	I	481,981	PART VII SUPPLEMENTAL INFORMATION
(12)	COMMUNITY HOSPITAL OF NOBLE COUNTY INC	J	50,895	PART VII SUPPLEMENTAL INFORMATION
(13)	WHITLEY MEMORIAL HOSPITAL INC	J	202,467	PART VII SUPPLEMENTAL INFORMATION
(14)	FIRST CARE FAMILY PHYSICIANS PC	J	190,000	PART VII SUPPLEMENTAL INFORMATION
(15)	NORTHEAST INDIANA COLON AND RECTAL SURGEONS PC	J	64,440	PART VII SUPPLEMENTAL INFORMATION
(16)	ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH LLC	K	3,738,356	PART VII SUPPLEMENTAL INFORMATION
(17)	FOUNDATION SURGERY AFFILIATE OF FORT WAYNE LLC	K	581,799	PART VII SUPPLEMENTAL INFORMATION
(18)	FORT WAYNE ENDOSCOPY CENTER LLC	K	285,103	PART VII SUPPLEMENTAL INFORMATION
(19)	FIRST CARE FAMILY PHYSICIANS PC	K	143,009	PART VII SUPPLEMENTAL INFORMATION
(20)	FORT WAYNE CARDIOVASCULAR SURGEONS PC	K	124,376	PART VII SUPPLEMENTAL INFORMATION
(21)	NORTHEAST INDIANA COLON AND RECTAL SURGEONS PC	K	69,285	PART VII SUPPLEMENTAL INFORMATION
(22)	FORT WAYNE CARDIOLOGY CORPORATION	K	671,309	PART VII SUPPLEMENTAL INFORMATION
(23)	PARKVIEW HOSPITAL INC	P	96,304,042	PART VII SUPPLEMENTAL INFORMATION
(24)	HUNTINGTON MEMORIAL HOSPITAL INC	P	8,030,744	PART VII SUPPLEMENTAL INFORMATION
(25)	COMMUNITY HOSPITAL OF NOBLE COUNTY INC	P	8,395,452	PART VII SUPPLEMENTAL INFORMATION
(26)	WHITLEY MEMORIAL HOSPITAL INC	P	8,334,993	PART VII SUPPLEMENTAL INFORMATION
(27)	COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	P	5,356,395	PART VII SUPPLEMENTAL INFORMATION
(28)	MANAGED CARE SERVICES LLC	P	363,120	PART VII SUPPLEMENTAL INFORMATION
(29)	COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	Q	628,563	PART VII SUPPLEMENTAL INFORMATION
(30)	PARKVIEW HOSPITAL INC	R	25,106,710	PART VII SUPPLEMENTAL INFORMATION
(31)	HUNTINGTON MEMORIAL HOSPITAL INC	R	8,056,933	PART VII SUPPLEMENTAL INFORMATION
(32)	WHITLEY MEMORIAL HOSPITAL INC	R	3,787,540	PART VII SUPPLEMENTAL INFORMATION
(33)	COMMUNITY HOSPITAL OF NOBLE COUNTY INC	R	3,763,522	PART VII SUPPLEMENTAL INFORMATION

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TY 2010 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND RHONDA L. SHARP (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS FOR 3 YEARS UNLESS TERMINATED SOONER. THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT. OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIAN IN SELECTING BENEFITS ON : LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH THE PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.E) LEASE AGREEMENTF) THERE IS A LEASE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT BETWEEN BOOTH REAL ESTATE, INC. (LESSOR) AND PARKVIEW HEALTH SYSTEM, INC. (LESSEE) FOR THE LEASED PREMISES OF 2600 N. DETROIT STREET, LAGRANGE, INDIANA. LEASED PREMISES TO BE USED AS A MEDICAL OFFICE BUILDING AND MINIMUM ANNUAL RENTAL SUM IS $73,412.50.

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TY 2010 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND LISA N. BOOTH (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS FOR 3 YEARS UNLESS TERMINATED SOONER. THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT. OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIAN IN SELECTING BENEFITS ON : LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH THE PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.E) LEASE AGREEMENTF) THERE IS A LEASE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT BETWEEN BOOTH REAL ESTATE, INC. (LESSOR) AND PARKVIEW HEALTH SYSTEM, INC. (LESSEE) FOR THE LEASED PREMISES OF 2600 N. DETROIT STREET, LAGRANGE, INDIANA. LEASED PREMISES TO BE USED AS A MEDICAL OFFICE BUILDING AND MINIMUM ANNUAL RENTAL SUM IS $73,412.50.

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TY 2010 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND DENNIS J. CHUBINSKI (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS 3 YEARS UNLESS TERMINATED SOONER.THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). COMPENSATION WILL VARY FROM PHYSICIAN TO PHYSICIAN BASED ON THE RELATIVE DIFFERENCE IN PRODUCTIVITY AS MEASURED USING THE TOTAL OF THEIR WRVU WEIGHTS. THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT.OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIANS IN SELECTING BENEFITS ON: LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH EACH PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

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TY 2010 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND ROBERT SCHLEINKOFER (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS 3 YEARS UNLESS TERMINATED SOONER.THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). COMPENSATION WILL VARY FROM PHYSICIAN TO PHYSICIAN BASED ON THE RELATIVE DIFFERENCE IN PRODUCTIVITY AS MEASURED USING THE TOTAL OF THEIR WRVU WEIGHTS. THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT.OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIANS IN SELECTING BENEFITS ON: LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH EACH PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

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TY 2010 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND R. WYATT WEAVER, JR. (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS 3 YEARS UNLESS TERMINATED SOONER.THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). COMPENSATION WILL VARY FROM PHYSICIAN TO PHYSICIAN BASED ON THE RELATIVE DIFFERENCE IN PRODUCTIVITY AS MEASURED USING THE TOTAL OF THEIR WRVU WEIGHTS. THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT.OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIANS IN SELECTING BENEFITS ON: LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH EACH PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

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TY 2010 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: B) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND JAMES PUSHPOM (OWNER/SELLER/PHYSICIAN) AND JAMES THEKKUMAKATTIL (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACTS FOR ALL PHYSICIANS ARE FOR 3 YEARS, EACH INDIVIDUAL, UNLESS TERMINATED SOONER.THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). COMPENSATION WILL VARY FROM PHYSICIAN TO PHYSICIAN BASED ON THE RELATIVE DIFFERENCE IN PRODUCTIVITY AS MEASURED USING THE TOTAL OF THEIR WRVU WEIGHTS. THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT.OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIANS IN SELECTING BENEFITS ON: LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH EACH PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

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TY 2010 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND LAKSHMI YALAMANCHALI (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS 3 YEARS UNLESS TERMINATED SOONER.THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). COMPENSATION WILL VARY FROM PHYSICIAN TO PHYSICIAN BASED ON THE RELATIVE DIFFERENCE IN PRODUCTIVITY AS MEASURED USING THE TOTAL OF THEIR WRVU WEIGHTS. THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT.OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIANS IN SELECTING BENEFITS ON: LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH EACH PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

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TY 2010 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND WILLIAM A. SMITH (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS FOR 3 YEARS UNLESS TERMINATED SOONER. THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT. OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIAN IN SELECTING BENEFITS ON : LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH THE PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493312015081

TY 2010 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND J. DAVID CARNES (OWNER/SELLER/PHYSICIAN), JULIE A. UTENDORF (OWNER/SELLER/PHYSICIAN), ANETTE C. LANE (OWNER/SELLER/PHYSICIAN), THEPPANYA K. KEOLASY (OWNER/SELLER/PHYSICIAN) AND MICHELE L. THURSTON (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACTS FOR ALL PHYSICIANS ARE FOR 5 YEARS, EACH INDIVIDUAL, UNLESS TERMINATED SOONER.THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). COMPENSATION WILL VARY FROM PHYSICIAN TO PHYSICIAN BASED ON THE RELATIVE DIFFERENCE IN PRODUCTIVITY AS MEASURED USING THE TOTAL OF THEIR WRVU WEIGHTS. THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT.OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIANS IN SELECTING BENEFITS ON: LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH EACH PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

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TY 2010 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND ROSEMARY E. LEITCH (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS FOR 3 YEARS UNLESS TERMINATED SOONER. THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT. OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIAN IN SELECTING BENEFITS ON : LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH THE PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

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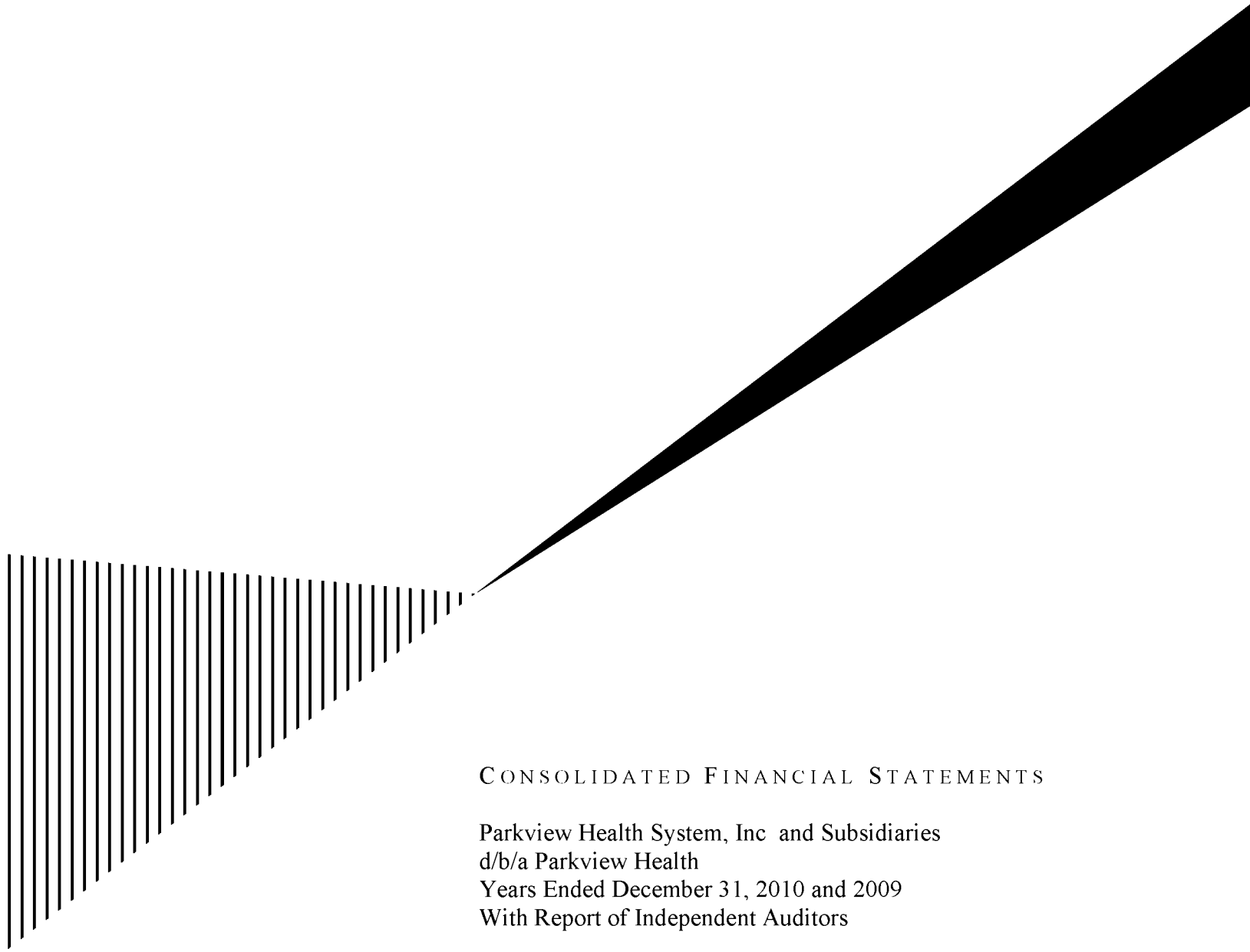
TY 2010 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) ALLAN BARBISH (OWNER/SELLER/PHYSICIAN), DAVID CLARK (OWNER/SELLER/PHYSICIAN), SRINIVAS DEVANATHAN (PHYSICIAN), JOHN FOUTS (OWNER/SELLER/PHYSICIAN), VATCHE ISRABIAN (OWNER/SELLER/PHYSICIAN), MANUEL MARTINEZ (OWNER/SELLER/PHYSICIAN), MICHAEL OVERDAHL (OWNER/SELLER/PHYSICIAN), TAHIRA SAIFUDDIN (OWNER/SELLER/PHYSICIAN), R. GREGORY SCHEIBLE (OWNER/SELLER/PHYSICIAN), EDWARD SCHULTZ (OWNER/SELLER/PHYSICIAN), AND BRIAN ZEHR (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACTS FOR ALL PHYSICIANS ARE FOR 5 YEARS, EACH INDIVIDUAL, UNLESS TERMINATED SOONER.THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). COMPENSATION WILL VARY FROM PHYSICIAN TO PHYSICIAN BASED ON THE RELATIVE DIFFERENCE IN PRODUCTIVITY AS MEASURED USING THE TOTAL OF THEIR WRVU WEIGHTS. THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT.OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIANS IN SELECTING BENEFITS ON: LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH EACH PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.



CONSOLIDATED FINANCIAL STATEMENTS

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

Ernst & Young LLP

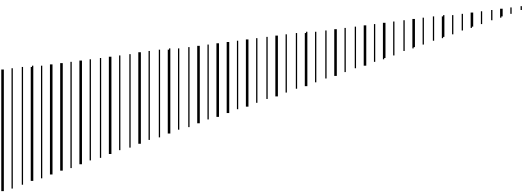
ERNST & YOUNG

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

Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

Contents



Ernst & Young LLP
The Plaza in Clayton Suite 1300
190 Carondelet Plaza
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Report of Independent Auditors

The Board of Directors
Parkview Health System, Inc

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

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

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

Ernst & Young LLP

April 26, 2011

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

Consolidated Balance Sheets
(In Thousands)

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

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

See accompanying notes.

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

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

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

See accompanying notes

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

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

(In Thousands)

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

See accompanying notes

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

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

(In Thousands)

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

See accompanying notes

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

Consolidated Statements of Cash Flows
(In Thousands)

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

Supplemental disclosures of cash flow information
The Corporation entered into capital lease obligations in the amounts of $32 and $5,504 for new equipment in 2010 and 2009, respectively

See accompanying notes

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

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Year Ended December 31, 2010

1. Organization

Nature of Operations

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

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

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

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

1. Organization (continued)

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

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

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

Changes in Reporting Entity

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

1. Organization (continued)

Community Benefits and Charity Care

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

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

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

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

1. Organization (continued)

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

2. Significant Accounting Policies

Principles of Consolidation

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

2. Significant Accounting Policies (continued)

Use of Estimates

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

Financial Instruments

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

Cash and Cash Equivalents

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

2. Significant Accounting Policies (continued)

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

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

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

Allowances for Bad Debts

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

Inventories

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

2. Significant Accounting Policies (continued)

Investments

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

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

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

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

2. Significant Accounting Policies (continued)

Property and Equipment

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

Goodwill

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

Intangible Assets

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

2. Significant Accounting Policies (continued)

Impairment

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

Derivative Financial Instruments

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

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

2. Significant Accounting Policies (continued)

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

Pension Plans

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

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

2. Significant Accounting Policies (continued)

Malpractice Insurance

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

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

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

2. Significant Accounting Policies (continued)

Income Taxes

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

Performance Indicator

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

Operating and Nonoperating Income (Expense)

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

Temporarily and Permanently Restricted Net Assets

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

2. Significant Accounting Policies (continued)

Reclassifications

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

Distributions

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

Adoption of New Accounting Standards

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

2. Significant Accounting Policies (continued)

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

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

(Dollars in Thousands)

3. Goodwill and Intangible Assets

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

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

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

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

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

4. Fair Value Measurement

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

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

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

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

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

(Dollars in Thousands)

4. Fair Value Measurement (continued)

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

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

(Dollars in Thousands)

4. Fair Value Measurement (continued)

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

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

4. Fair Value Measurement (continued)

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

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

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

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

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

(Dollars in Thousands)

4. Fair Value Measurement (continued)

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

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

	Financial Assets – Investments in Real Estate	Financial Liabilities – Interest Rate Swaps
Fair value at January 1, 2009	$ 29,667	$ (101,204)
Transfers out of Level 3	–	30,252
Purchases	2,698	–
Sales or retirements	(2,606)	11,580
Unrealized (losses) gains included in deficit of revenue over expenses	(6,437)	59,372
Fair value at December 31, 2009	$ 23,322	$ –
Fair value at January 1, 2010	**$ 23,322**	**$** –
Transfers out of Level 3	–	–
Purchases	**447**	–
Sales or retirements	–	–
Unrealized losses included in excess of revenue over expenses	**(114)**	–
Fair value at December 31, 2010	**$ 23,655**	**$** –

4. Fair Value Measurement (continued)

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

5. Net Patient Care Service Revenue

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

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

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

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

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

5. Net Patient Care Service Revenue (continued)

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

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

(Dollars in Thousands)

6. Investments

The composition of investments is as follows

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

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

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

(Dollars in Thousands)

6. Investments (continued)

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

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

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

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

(Dollars in Thousands)

6. Investments (continued)

Securities Lending

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

7. Property and Equipment

The costs of property and equipment consist of the following

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

(Dollars in Thousands)

7. Property and Equipment

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

8. Long-Term Debt

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

Description	Interest Rates	December 31 2010	2009
Tax-exempt, variable rate demand bonds			
Series 2010A due through 2040	1 32%	**$ 12,900**	$ –
Series 2009BCD due through 2031	0 29% – 0 32%	**223,665**	223,665
Series 2007 due through 2032	0 33%	**23,145**	23,765
Series 2001 due through 2031	0 33% – 0 35%	**18,400**	19,425
Tax-exempt, fixed rate serial and term bonds			
Series 2009A due through 2031	4 0% – 5 88%	**257,620**	265,530
Series 1998 due through 2028	4 5% – 5 4%	**55,310**	56,475
Various notes to banks	Various	**24,286**	10,601
Mortgages on real estate	Various	**12,458**	8,793
Other	Various	**1,065**	112
Capital leases	Various	**4,811**	6,461
		633,660	614,827
Less unamortized original issue discount		**5,319**	5,721
		628,341	609,106
Less current portion		**32,250**	14,100
		$ 596,091	$ 595,006

(Dollars in Thousands)

8. Long-Term Debt (continued)

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

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

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

Obligations Through Use of Master Indenture

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

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

8. Long-Term Debt (continued)

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

PH entered into three direct-pay Letters of Credit agreements (the LOCs) issued by National City Bank (Series 2009B Bonds), Wells Fargo Bank (Series 2009C Bonds), and Citibank (Series 2009D Bonds) to enhance the marketability of the bonds Under the terms of the LOCs, if bonds are not successfully remarketed and thereby purchased by the banks, the principal maturities of the bonds purchased are accelerated over the subsequent three-year period commencing at least one year and one day from the draw on the LOC, and PH would pay a defined rate, based on a formula in the agreements, at a minimum rate of 8 5% for the first 90 days after bank purchase and 10 5% thereafter The current LOCs expire August 26, 2012 At December 31, 2010, all bonds had been successfully remarketed

8. Long-Term Debt (continued)

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

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

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

8. Long-Term Debt (continued)

Debt Guarantee

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

9. Interest Rate Swaps and Other Derivatives

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

(Dollars in Thousands)

9. Interest Rate Swaps and Other Derivatives (continued)

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

Expiration Date		PH Pays	PH Receives	Notional Amount December 31 2010	Notional Amount December 31 2009
2020 – 2031	(1)	3 47% – 3 71%	67% of one-month LIBOR	$ **39,550**	$ 40,575
2028 – 2033	(1)	3 26% – 3 48%	62 4% of one-month LIBOR + 0 29% margin	**104,175**	108,165
2028 – 2033	(2)	3 26% – 3 48%	62 4% of one-month LIBOR + 0 29% margin	**75,000**	75,000
2011 – 2016	(2)	BMA/SIFMA Index	3 61% – 4 0%	**90,000**	90,000
2037	(1)	3 74%	61 8% of one-month LIBOR + 0 31% margin	**149,530**	150,000
2014 – 2025	(3)	BMA/SIFMA Index	68% of one-month LIBOR + 0 37% – 0 52% margin	**180,000**	180,000
				$ **638,255**	$ 643,740

(1) The objective of these interest swaps is to mitigate interest rate fluctuations and synthetically fix certain variable rate exposure

(2) The objective of these interest rate swaps is to create a basis swap

(3) The objective of these interest rate swaps is to take advantage of yield curve differences and mitigate risk on future bond offerings These interest rate swaps are not associated with outstanding debt

(Dollars in Thousands)

9. Interest Rate Swaps and Other Derivatives (continued)

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

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

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

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

(Dollars in Thousands)

9. Interest Rate Swaps and Other Derivatives (continued)

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

10. Pension Plans

Defined-Benefit Pension Plan

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

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

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

(Dollars in Thousands)

10. Pension Plans (continued)

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

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

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

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

(Dollars in Thousands)

10. Pension Plans (continued)

	Year Ended December 31	
	2010	**2009**
Periodic benefit cost		
Service cost	**$ 7,605**	$ 8,343
Interest cost	**15,836**	14,709
Expected return on plan assets	**(18,271)**	(16,894)
Amortization of unrecognized net loss	**6,200**	6,443
Amortization of unrecognized prior service cost	**176**	176
Net periodic benefit cost	**$ 11,546**	$ 12,777

	December 31	
	2010	**2009**
Accumulated benefit obligation	**$ 267,476**	$ 233,762
Plan assets at fair market value	**282,528**	236,554
Funded status (based on accumulated benefit obligation)	**$ 15,052**	$ 2,792

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

	2010	**2009**
Assumptions – benefit obligations		
Discount rate	**5.69%**	6 18%
Expected return on plan assets	**8.00**	8 00
Rate of compensation increase	**3.50**	3 50
Assumptions – net periodic benefit cost		
Discount rate	**6.18%**	5 79%
Expected return on plan assets	**8.00**	8 00
Rate of compensation increase	**3.50**	3 50

(Dollars in Thousands)

10. Pension Plans (continued)

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

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

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

	2010	2009
Equity securities	**59%**	54%
Debt securities	**39**	42
Short-term investments	**2**	4
Total	**100%**	100%

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

(Dollars in Thousands)

10. Pension Plans (continued)

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

	Fair Value	Fair Value Measurements Using: (Level 1)	(Level 2)	(Level 3)
Mutual funds	**$ 275,591**	**$ 235,021**	**$ 40,570**	**$ –**
Guaranteed investment contract	**6,937**	**–**	**–**	**6,937**
	$ 282,528	**$ 235,021**	**$ 40,570**	**$ 6,937**

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

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

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

(Dollars in Thousands)

10. Pension Plans (continued)

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

	Financial Assets – GIC
Fair value at January 1, 2009	$ 9,605
Purchases, issuances, and settlements	(1,406)
Actual return on plan assets	413
Fair value at January 1, 2010	**8,612**
Purchases, issuances, and settlements	**(2,003)**
Actual return on plan assets	**328**
Fair value at December 31, 2010	**$ 6,937**

Estimated future benefit payments	
2011	$ 8,537
2012	9,555
2013	10,761
2014	12,141
2015	13,628
2016-2019	94,475

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

10. Pension Plans (continued)

Defined-Contribution and Other Pension Plans

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

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

(Dollars in Thousands)

11. Commitments and Contingencies

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

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

12. Functional Expenses

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

13. Indiana Medicaid Disproportionate Share

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

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

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

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

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

14. Subsequent Events

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

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