



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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 05-01-2010 and ending 04-30-2011				
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization MOUNT DESERT ISLAND HOSPITAL		D Employer identification number 01-0211797	
	Doing Business As			
	Number and street (or P O box if mail is not delivered to street address) PO Box 8 10 Wayman Lane		Room/suite	E Telephone number (207) 288-5081
	City or town, state or country, and ZIP + 4 Bar Harbor, ME 046090008			
	F Name and address of principal officer Arthur Blank 10 Wayman Lane Bar Harbor, ME 046090008		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)		
		H(c) Group exemption number ▶		
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: ▶ www.mdihospital.org				
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1897	M State of legal domicile ME	

Part I		Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities Mount Desert Island Hospital's mission is to provide compassionate care and strengthen the health of our community by embracing tomorrow's methods and respecting time-honored values 		
	2 Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	19
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	12
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	501
	6 Total number of volunteers (estimate if necessary)	6	146
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	1,393,948	1,540,806
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	46,369,370	49,496,610
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	960,875	28,647
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	814,995	801,092
		49,539,188	51,867,155
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	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)	28,241,495	30,191,177
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶189,683		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	20,243,340	21,299,884
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	48,484,835	51,491,061
	19 Revenue less expenses Subtract line 18 from line 12	1,054,353	376,094
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	41,225,229	52,909,124
	21 Total liabilities (Part X, line 26)	20,859,087	30,019,700
	22 Net assets or fund balances Subtract line 21 from line 20	20,366,142	22,889,424

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		2012-03-07		
	Christina Harding CFO		Date		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no ▶

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

Part IIIS

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

Mount Desert Island Hospital's mission is to provide compassionate care and strengthen the health of our community by embracing tomorrow's methods and respecting time-honored values

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 \$ 39,301,419 including grants of \$ 0) (Revenue \$ 49,496,610)

Patient Care Mount Desert Island Hospital's mission statement is described in Part II, Line 1 above In Fiscal Year 2011, MDI Hospital provided \$855,316 in services for which no compensation was expected or received Policies exist to provide relief for those who cannot pay for medical care MDI Hospital provides care to persons covered by governmental programs including Medicare, Medicaid and Champus The unreimbursed value for providing care to these patients approximates \$11,907,190 The Hospital provides a number of health services and preventative health programs to the community Most of these programs are either covered by insurance, are offered at very low costs or are free to the community Available programs include cardiac pulmonary rehabilitation, wellness program, diabetes education, nutrition counseling, parenting, pregnancy and sibling classes and physical and occupational therapy programs Throughout the year, staff from the hospital make presentations to area school children regarding smoking cessation and health nutrition Additionally, community groups such as Alcoholics Anonymous use the hospital's conference rooms for their meetings

4b

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

4c

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

4d

Other program services (Describe in Schedule O)











(Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

4e

Total program service expenses \$ 39,301,419






Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	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? <i>If "Yes," complete Schedule C, Part I.</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? <i>If "Yes," complete Schedule C, Part II.</i> 	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? <i>If "Yes," complete Schedule C, Part III.</i>	5	No
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i>	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>	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? <i>If "Yes," complete Schedule D, Part IV.</i>	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	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? <i>If "Yes," complete Schedule D, Part VII.</i>	11b	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>	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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	Yes
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	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)? <i>If "Yes," complete Schedule D, Part X.</i>	11f	No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	Yes
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	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? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Parts II and IV.</i>	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 ? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	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? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>	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? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	58	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	501	
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b	No
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		7a	
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	
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	
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f	
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 19		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization’s assets?	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	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? <i>If “No,” go to line 13</i>	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If “Yes,” describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization’s CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization If “Yes” to line 15a or 15b, describe the process in Schedule O (See instructions)	15b	Yes	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If “Yes,” has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization’s exempt status with respect to such arrangements?	16b		

Section C. Disclosure	
17	List the States with which a copy of this Form 990 is required to be filed▶ME
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input checked="" type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ Arthur Blank 10 Wayman Lane Bar Harbor, ME 046090008 (207) 288-5081

Part VII

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Terry Musson Board Chairman	5	X		X				0	0	0
(2) Arthur J Blank President/CEO	40	X		X				254,044	0	36,744
(3) John Adams MD 1st Vice Chairman	3	X		X				0	0	0
(4) O Lee Haynes MD 2nd Vice Chairman	40	X		X				242,908	0	37,932
(5) John Benson MD Board Member	1	X						0	0	0
(6) Michael Bonsey Board Member	1	X						0	0	0
(7) Stewart Brecher Board Member	1	X						0	0	0
(8) Mary Dudzik MD Board Member	40	X						162,994	0	17,494
(9) David Einhorn Esq Board Member	1	X						0	0	0
(10) Kathleen Field Board Member	1	X						0	0	0
(11) Julius Krevans MD Board Member	1	X						0	0	0
(12) Julian Kuffler MD President of Medical Staff	40	X						220,144	0	22,620
(13) Dean Read Board Member	1	X						0	0	0
(14) Mickey Shattow Board Member	1	X						0	0	0
(15) Patricia Hand PhD Board Member	1	X						0	0	0
(16) Elsie Flemings Board Member	1	X						0	0	0

Part VII

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	36
---	---	----

Section B. Independent Contractors

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

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 ▶8	
---	---	--

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	0	1,540,806							
	b	Membership dues	1b	0								
	c	Fundraising events	1c	0								
	d	Related organizations	1d	0								
	e	Government grants (contributions)	1e	41,955								
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,498,851								
	g	Noncash contributions included in lines 1a-1f \$		196,691								
	h	Total. Add lines 1a-1f										
	Program Service Revenue	2a	Business Code						49,496,610	49,496,610	0	0
		Patient Service Revenue		900099								
b												
c												
d												
e												
f		All other program service revenue				0	0	0				
g		Total. Add lines 2a-2f			49,496,610							
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)			28,647	0	0				
	4	Income from investment of tax-exempt bond proceeds . .			0	0	0	0				
	5	Royalties			0	0	0	0				
	6a	(i) Real		(ii) Personal	28,800	0	0	28,800				
		28,800		0								
		Less rental expenses		0								
		Rental income or (loss)		0								
	d	Net rental income or (loss)										
	7a	(i) Securities		(ii) Other								
		Less cost or other basis and sales expenses										
		Gain or (loss)		0								
	d	Net gain or (loss)										
	8a	Gross income from fundraising events (not including \$ 0 of contributions reported on line 1c) See Part IV, line 18										
		a										
	b	Less direct expenses										
	c	Net income or (loss) from fundraising events . .										
	9a	Gross income from gaming activities See Part IV, line 19										
		a										
b	Less direct expenses											
c	Net income or (loss) from gaming activities . .											
10a	Gross sales of inventory, less returns and allowances											
	a											
b	Less cost of goods sold											
c	Net income or (loss) from sales of inventory . .											
Miscellaneous Revenue				Business Code	197,622	197,622	0	0				
11a	Cafeteria Sales			900099								
b	Miscellaneous Income-Eden			900099								
c	All Other revenue			900000								
d	All other revenue			0								
e	Total. Add lines 11a-11d			772,292								
12	Total revenue. See Instructions			51,867,155	50,268,902	0	57,447					

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				
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	966,221		966,221	
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	21,952,253	16,685,956	5,141,297	125,000
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	756,771	550,732	201,907	4,132
9	Other employee benefits	4,986,849	3,631,152	1,329,101	26,596
10	Payroll taxes	1,529,083	1,113,257	407,486	8,340
a	Fees for services (non-employees)				
	Management				
b	Legal	25,318		25,318	
c	Accounting	94,437		94,437	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	37,846		37,846	
g	Other				
12	Advertising and promotion	116,737		116,737	
13	Office expenses	4,766,466	4,657,117	109,349	
14	Information technology				
15	Royalties				
16	Occupancy	797,407	637,926	159,481	
17	Travel	41,974	29,371	12,603	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	313,175	143,948	169,227	
20	Interest	480,179	384,143	96,036	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,013,870	1,611,096	402,774	
23	Insurance	791,469	712,213	79,256	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Purchased Services	5,270,357	3,394,916	1,875,441	0
b	Bad debt expense	2,961,081	2,961,081	0	0
c	Physician fees	1,156,168	1,131,168	25,000	0
d	Tax & Match	879,638	879,638	0	0
e	Space Rental	444,756	444,756	0	0
f	All other expenses	1,109,006	332,949	750,442	25,615
25	Total functional expenses. Add lines 1 through 24f	51,491,061	39,301,419	11,999,959	189,683
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			0	1	0
	2	Savings and temporary cash investments			47,719	2	34,647
	3	Pledges and grants receivable, net			269,981	3	2,976,580
	4	Accounts receivable, net			4,367,952	4	4,988,287
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L			0	6	0
	7	Notes and loans receivable, net			0	7	0
	8	Inventories for sale or use			530,874	8	515,042
	9	Prepaid expenses and deferred charges			125,848	9	148,458
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	43,388,199			
	b	Less: accumulated depreciation	10b	19,296,689	16,954,425	10c	24,091,510
	11	Investments—publicly traded securities			11,683,245	11	13,875,549
	12	Investments—other securities. See Part IV, line 11			0	12	0
	13	Investments—program-related. See Part IV, line 11			0	13	0
	14	Intangible assets			0	14	0
	15	Other assets. See Part IV, line 11			7,245,185	15	6,279,051
16	Total assets. Add lines 1 through 15 (must equal line 34)			41,225,229	16	52,909,124	
Liabilities	17	Accounts payable and accrued expenses			10,048,082	17	11,945,764
	18	Grants payable			0	18	0
	19	Deferred revenue			0	19	0
	20	Tax-exempt bond liabilities			5,880,655	20	5,382,336
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties			1,978,084	23	10,252,880
	24	Unsecured notes and loans payable to unrelated third parties			0	24	0
	25	Other liabilities. Complete Part X of Schedule D			2,952,266	25	2,438,720
	26	Total liabilities. Add lines 17 through 25			20,859,087	26	30,019,700
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			16,861,433	27	15,829,167
	28	Temporarily restricted net assets			1,608,714	28	5,051,084
	29	Permanently restricted net assets			1,895,995	29	2,009,173
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			20,366,142	33	22,889,424
34	Total liabilities and net assets/fund balances			41,225,229	34	52,909,124	

Part XI **Reconciliation of Net Assets**

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	51,867,155
2	Total expenses (must equal Part IX, column (A), line 25)	2	51,491,061
3	Revenue less expenses Subtract line 2 from line 1	3	376,094
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	20,366,142
5	Other changes in net assets or fund balances (explain in Schedule O)	5	2,147,188
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	22,889,424

Part XII **Financial Statements and Reporting**

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

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

SCHEDULE A

(Form 990 or 990EZ)

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 MOUNT DESERT ISLAND HOSPITAL	Employer identification number 01-0211797
--	--

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?
- h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶		

Part IIIPart III

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

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

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9	Amounts from line 6						
10a	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b	Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c	Add lines 10a and 10b						
11	Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12	Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13	Total support (Add lines 9, 10c, 11 and 12)						
14	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and stop here						

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

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

Part IV

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

Facts And Circumstances Test

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 MOUNT DESERT ISLAND HOSPITAL	Employer identification number 01-0211797
--	--

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes	<input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV	Yes		
	j Total lines 1c through 1i			
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).		
		2a	
		2b	
		2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
SchC_P2B_S00_L01	Schedule C, Part II-B, Line 1	This amount represents a portion of dues determined expended for specific lobbying purposes. These expenditures are defined as direct communications with certain members of federal, state, or local government to influence legislation. These dues support the organizations advocacy and representation in its broadest sense, activities that are well beyond the scope of defined lobbying activities. For the Maine Hospital Association, total dues are \$35,886, of which 16.2% are lobbying expense or \$5,814. Total lobbying expenses included in dues is \$5,814.

SCHEDULE D
(Form 990)

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization MOUNT DESERT ISLAND HOSPITAL	Employer identification number 01-0211797
---	---

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div>YesNo</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div>YesNo</div>	

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

1

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

☐ 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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

YesNo

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)?

YesNo

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

► \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	6,997,367	3,938,882	0		
b Contributions	17,162	1,801,964	5,077,190		
c Investment earnings or losses	1,180,156	1,284,232	-974,551		
d Grants or scholarships	0	0	0		
e Other expenditures for facilities and programs	46,000	7,570	150,000		
f Administrative expenses	31,665	20,141	13,757		
g End of year balance	8,117,020	6,997,367	3,938,882		

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 1 00 %

b

Permanent endowment ▶ 0 %

c

Term endowment ▶ 0 %

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

No

b

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

3b

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	2,947,148		2,947,148
b Buildings	0	21,742,782	10,077,167	11,665,615
c Leasehold improvements	0	235,558	0	235,558
d Equipment	0	13,898,570	9,035,591	4,862,979
e Other	0	4,564,141	183,931	4,380,210
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				24,091,510

Schedule D (Form 990) 2010

Part XI

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	51,867,155
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	51,491,061
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	376,094
4	Net unrealized gains (losses) on investments	4	375,355
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	3,634,905
9	Total adjustments (net) Add lines 4 - 8	9	4,010,260
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	4,386,354

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	50,581,161
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	0
b	Donated services and use of facilities	2b	0
c	Recoveries of prior year grants	2c	0
d	Other (Describe in Part XIV)	2d	241,504
e	Add lines 2a through 2d	2e	241,504
3	Subtract line 2e from line 1	3	50,339,657
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	0
b	Other (Describe in Part XIV)	4b	1,527,498
c	Add lines 4a and 4b	4c	1,527,498
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	51,867,155

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	51,302,873
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	0
b	Prior year adjustments	2b	0
c	Other losses	2c	0
d	Other (Describe in Part XIV)	2d	0
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	51,302,873
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	0
b	Other (Describe in Part XIV)	4b	188,188
c	Add lines 4a and 4b	4c	188,188
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	51,491,061

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
SchD_P01_S00_L04	Schedule D, Part I, Line 4	Fundraising expenses and investment management fees recorded on the audited financial statement sas Other income (expense) Fundraising expenses = 150,615, Investment mgtmt fees - fy11 inc w/expenses (428,124), Total other = (277,509)
SchD_P05_S00_L04	Schedule D, Part V, Line 4	The quasi endowment funds are held for Hospital use and restricted by the Board of Directors Interest may be used to fund operational expenses at the discretion of the Board of Directors Principal funds are to be held in the quasi endowment to fund future liabilities including Earned Time Liabilities and Lines of Credit funding
SchD_P11_S00_L08	Schedule D, Part XI, Line 8	Net assets released from restrictions, Change in pledges receivable, net, Contributions of permanently restricted net assets, change in value of beneficial interest in perpetual trusts
SchD_P12_S00_L02d	Schedule D, Part XII, Line 2d	Net assets released from restrictions used for operations
SchD_P12_S00_L04b	Schedule D, Part XII, Line 4b	Total of 1,527,138 represents items recorded as revenue below "Loss from operations" on audited financial statements Gifts and bequests included in other income \$334,956, Temporarily restricted net asset contributions \$1,163,895, Investment Income \$28,647
SchD_P13_S00_L04b	Schedule D, Part XIII, Line 4b	Made up of Fundraising expenses of \$152,819, and \$891 in bank fees, \$464 in cash short, and \$34,014 gain on disposal of assets

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
MOUNT DESERT ISLAND HOSPITAL

Employer identification number
01-0211797

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	Yes	
b	If "Yes," is it a written policy?	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> Generally tailored to individual hospitals		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ % b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>1.5 %</u> c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	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 eligible for free or discounted care?		No
6a	Does the organization prepare a community benefit report during the tax year?	Yes	
6b	If "Yes," did the organization make it available to the public? Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	Yes	

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)			595,381		595,381	1 16 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			5,805,614	5,255,164	550,450	1 07 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs	0	0	6,400,995	5,255,164	1,145,831	2 23 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			96,931		96,931	0 19 %
f Health professions education (from Worksheet 5)			197,274	0	197,274	0 38 %
g Subsidized health services (from Worksheet 6)			8,606,149	7,686,093	2,981,251	5 79 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			137,257	37,900	99,356	0 19 %
j Total Other Benefits	0	0	9,037,611	7,723,993	3,374,812	6 55 %
k Total. Add lines 7d and 7j)	0	0	15,438,606	12,979,157	4,520,643	8 78 %

Part II

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

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

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	2	2,961,081	
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	2,061,194	
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	14,275,261	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	17,250,360	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-2,975,099	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

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

Part IV

Management Companies and Joint Ventures

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

Part V

Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 11

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	Mount Desert Island Hospital 10 Wayman Lane PO Box 8 Bar Harbor, ME 046090008	X	X			X		X		
2	Cadillac Family Practice and Behavioral Health Center 322 Main Street Bar Harbor, ME 04609									Outpatient Clinic
3	Cooper Gilmore Health Center 17 Hancock Road Bar Harbor, ME 04609									Outpatient clinic
4	Trenton Health Center 394 Bar Harbor Road Trenton, ME 04605									Outpatient clinic
5	Community Health Center 16 Community Lane Southwest Harbor, ME 04679									Outpatient Clinic
6	Family Health Center 9 Hancock Road Bar Harbor, ME 04609									Outpatient Clinic
7	Women's Health Center 8 Wayman Lane Bar Harbor, ME 04609									Outpatient clinic
8	Northeast Harbor Clinic Kimball Road Northeast Harbor, ME 04679									outpatient clinic
9	MDI Orthodpedic Clinic 10 Wayman Lane Bar Harbor, ME 04609									Outpatient Clinic
10	MDI Dermatology Clinic 322 Main Street Bar Harbor, ME 04609									Outpatient Clinic
11	MDI Urology Clinic 322 Main Street Bar Harbor, ME 04609									Outpatient Clinic

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Mount Desert Island Hospital

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150</u> %	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b	<input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d	<input type="checkbox"/> Other (describe in Part VI)			
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20		No
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	Yes	

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Cadillac Family Practice and Behavioral Health Center

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If “Yes,” indicate the FPG family income limit for eligibility for discounted care <u>150</u> %	10	Yes
11	Explained the basis for calculating amounts charged to patients? If “Yes,” indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes
12	Explained the method for applying for financial assistance?	12	Yes
13	Included measures to publicize the policy within the community served by the hospital facility? If “Yes,” indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility’s web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility’s emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility’s admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c <input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d <input type="checkbox"/> Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20		No
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21 Yes		

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Cooper Gilmore Health Center

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 3

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)	1	No
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	5	
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150</u> %	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c <input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d <input type="checkbox"/> Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20		No
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21 Yes		

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Trenton Health Center

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 4

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150</u> %	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c <input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d <input type="checkbox"/> Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20		No
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21 Yes		

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Community Health Center

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 5

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150</u> %	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c <input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d <input type="checkbox"/> Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20		No
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21 Yes		

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Family Health Center

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 6

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)	1	No
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	5	
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150</u> %	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c <input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d <input type="checkbox"/> Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20		No
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21 Yes		

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Women's Health Center

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 7

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150</u> %	10	Yes
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes
12	Explained the method for applying for financial assistance?	12	Yes
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		
Charges for Medical Care			
19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)		
a	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b	<input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	Yes	

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Northeast Harbor Clinic

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 8

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150</u> %	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		
Charges for Medical Care			
19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)		
a	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b	<input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	Yes	

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: MDI Orthopedic Clinic

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 9

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150</u> %	10	Yes
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	11	Yes
	a <input checked="" type="checkbox"/> Income level		
	b <input checked="" type="checkbox"/> Asset level		
	c <input checked="" type="checkbox"/> Medical indigency		
	d <input checked="" type="checkbox"/> Insurance status		
	e <input checked="" type="checkbox"/> Uninsured discount		
	f <input checked="" type="checkbox"/> Medicaid/Medicare		
	g <input checked="" type="checkbox"/> State regulation		
	h <input type="checkbox"/> Other (describe in Part VI)		
12	Explained the method for applying for financial assistance?	12	Yes
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	13	Yes
	a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site		
	b <input checked="" type="checkbox"/> The policy was attached to all billing invoices		
	c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
	d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
	e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility		
	f <input checked="" type="checkbox"/> The policy was available upon request		
	g <input checked="" type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c <input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d <input type="checkbox"/> Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20		No
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21 Yes		

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: MDI Dermatology Clinic

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 10

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150</u> %	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c <input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d <input type="checkbox"/> Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20		No
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21 Yes		

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: MDI Urology Clinic

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 11

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)	1	No
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	5	
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>150</u> %	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

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

Part V

Facility Information (continued)

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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

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

Name and address		Type of Facility (Describe)
1		
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
SchH_P01_S00_L06b	Schedule H, Part I, Line 6b	Mount Desert Island Hospital Community Benefits Report is available on the hospital website or upon request Additional Explanation - Community Health Services Provided include childbirth education classes, flu clinics, Healthy Kid Day at the MDI YMCA, diabetes education, smoking cessation, telemedicine services, Your Exercise Solution classes, free blood pressure clinics, community walking program, school based clinics, free cancer support groups, prescription assistance program, chronic disease prevention program, Mass casualty preparation, event sponsorships, and donated space MDI Hospital's dedicated staff contributed countless hours of volunteer time to groups such as Hospice of Hancock County, the Maine Alzheimer's Association, Island Connections, the MDI Marathon, and the Healthy Hands Quilt Group Subsidized Community Physician Services -- Mount Desert Island has few private practice physicians In order to ensure access to primary care and certain specialty care physicians, MDI Hospital employs physicians and provides their services through its hospital-based practices at the Trenton Clinic, the Women's Health Center, Northeast Harbor Clinic, the Community Health Center, the Cooper Gilmore Health Center, the Cadillac Mountain Family Practice, the Family Health Center, and the Behavioral Health Center Services include Family Medicine, General Surgery, Orthopedic Surgery, Internal Medicine, Obstetrics and Women's Health Services, Breast Center, Dermatology, Urology, and many others Healthy Maine Partnership--As a co-sponsor for the Healthy Acadia organization, MDI contributes and provides funding for the local Healthy Maine Partnership MDIH staff members participate on their Advisory Group and on various committees

Identifier	ReturnReference	Explanation
SchH_P01_S00_L07	Schedule H, Part I, Line 7	Costing methodology utilized for this table were derived from Worksheet 2, Ratio of patient care cost to charges with data from our fiscal year 2011 filed cost reports

Identifier	ReturnReference	Explanation
SchH_P01_S00_L07g	Schedule H, Part I, Line 7g	IRS 990H Worksheet 6 -- Subidized Health Services-- (The supporting schedule for part I, Line 7g) We did not utilize the Worksheet 2 percentage when we determining the profit/loss of each of our provider based clinics In addition, when we were compiling the subsidized provider based lcinics listed in 1C above, we utilized the actual estimated costs on the Medicare cost report we prepared instead of applying the worksheet 2 cost to charge percentage

Identifier	ReturnReference	Explanation
SchH_P03_S0A_L04	Schedule H, Part III, Section A, Line 4	Audit Footnote #2 Accounts Receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probably uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable. The bad debt expense of \$2,961,081 has been calculated utilizing data from our fiscal year 2011 filed cost report to produce the cost to charge ratio for Worksheet 2 Ratio of Patient Care Cost to Charges. Bad debt expense per audited financial statements is \$2,961,081. Bad debts are a community benefit as services are provided regardless of the patient's ability to pay.

Identifier	ReturnReference	Explanation
SchH_P03_S0B_L08	Schedule H, Part III, Section B, Line 8	The Medicare shortfall of \$2,975,099 would be considered as a community benefit as it is the cost of providing quality acute and primary care services while maintaining careful stewardship of resources with a commitment to service excellence. This was calculated utilizing Medicare net patient revenue with associated Medicare costs per the filed fiscal year 2011 cost report.

Identifier	ReturnReference	Explanation
SchH_P03_S0C_L09b	Schedule H, Part III, Section C, Line 9b	Collection practices follow the free care policy of ensuring those patients who are eligible for federal or state medical assistance programs are covered. If not eligible for these programs, charity care eligibility is determined. The cost share plan guidelines of the free care policy are clearly stated to ensure proper collection policy and practice.

Identifier	ReturnReference	Explanation
SchH_P05_S0B_L13	Schedule H, Part V, Section B, Line 13	We use Advanced Patient Advocacy as a third party vendor

Identifier	ReturnReference	Explanation
SchH_P05_S0B_L19	Schedule H, Part V, Section B, Line 19	Gross charges less any payments received on account

Identifier	ReturnReference	Explanation
SchH_P05_S0B_L21	Schedule H, Part V, Section B, Line 21	All services are initially billed at the amount of gross charge. Some insurance carriers then negotiate a contractual allowance. Medicare and Medicaid reimburse critical access hospitals at a ratio of cost to charges. Self-pay patients are billed at gross charge and any discounts or other arrangements are applied at the time of payment, with the exception of patients eligible for financial assistance, who are billed at gross less any financial assistance granted.

Identifier	ReturnReference	Explanation
SchH_P06_S00_L02	Schedule H, Part VI, Line 2	In addition to the Community Health Needs Assessment, the Board of Directors is made up on community members, who routinely solicit feedback from their fellow community members on the unmet needs of the community. Hospital personnel also regularly attend community events and forums, along with serving on several other community Boards in order to gauge the needs of their communities.

Identifier	ReturnReference	Explanation
SchH_P06_S00_L03	Schedule H, Part VI, Line 3	MDI Hospital 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 the Hospitals charity care and cost share policy This information is distributed via brochures available in admissions areas, emergency department, and other areas throughout the hospital and health centers, documented on the back of patient statements and included in the Free Care and Cost Share policy Additionally all third parties including collection and law firms working on behalf of MDI Hospital to collect fees are required to follow the hospitals policies regarding patient notification about the availability of financial assistance The Hospital patient representative is accessible to discuss the availability of various government benefits and or hospital assistance with patients If a patient is admitted through the Emergency Room, the social worker will coordinate activities to identify and assist eligible patients The Hospital utilizes a third party contracted firm, APA, to assist patients with the completion of necessary forms and documentation required for various government benefits and or hospital assistance

Identifier	ReturnReference	Explanation
SchH_P06_S00_L04	Schedule H, Part VI, Line 4	<p>As stated above, MDI Hospital provides services to Mount Desert Island and coastal Maine designated as a Critical Access Hospital, in Hancock County, southeastern Maine Mount Desert Island is comprised of 108 square miles and is the 6th largest island in the continental United States and second largest island (Long Island, NY being the largest) on the eastern seaboard The primary geographic area serviced consists of Mount Desert Island along with the outer islands of Swans, Frenchboro, and Cranberry Isles, with a total permanent year-round population of approximately 10,000 Mount Desert Island is a destination for tourists from all over the world Cruise ships are in the harbor from May through October and most often in September The summer residents increase the island population by at least 30,000 Also, many thousands of additional tourists visit the island annually It is reported that as many as 2.5 million people visit Acadia National Park on Mount Desert Island annually, many of whom will reside on island during their visit This population swelling results in a significant increase in medical services provided by Mount Desert Island Hospital and its health centers located throughout the community While tourism continues to be one of the largest industries, the Jackson Laboratory, boat building, fishing, and aquaculture are also a large part of the economy on MDI Based on demographic data, approximately 9 percent of the permanent population is below the poverty line The demographics support an aging population as demonstrated by the 44 percent Medicare utilization at MDI Hospital MaineCare, the state government program, accounted for 10 percent of the Hospitals gross patient service revenue for the fiscal year While additional workers are needed to service the significant seasonal influx, the majority is under and or uninsured resulting in increased charity care and bad debts Although the majority of Mount Desert Islands permanent population is Caucasian the additional tourists seasonal workers and summer residents are a very diverse population</p>

Identifier	ReturnReference	Explanation
SchH_P06_S00_L05	Schedule H, Part VI, Line 5	<p>The governing Board and committee members of MDI Hospital are all local residents of the community serviced by the Hospital. The Hospital's Board is part of the tapestry of the community. They are people who understand the history and culture of the community all helping the Hospital keep pace accessing the needs of their friends and neighbors. The array of community members helps MDI Hospital's Board balance its need for financial stewardship with its caring mission. As the board is comprised of people who live and work on the Island, it also ensures that MDI Hospital maintain its uniquely personal connection and intimacy to the communities it serves. Medical staff privileges are extended to all qualified physicians in the community. As MDI Hospital is located on an Island, additional specialty services are made available on the island by medical staff from the mainland, thus providing many specialty services which would otherwise be unavailable in the community. Patients would still have access to these specialties, they would have to travel off the island to other communities or cities to receive these services. The organization applies surplus funds to patient care improvements through its capital expenditure program, employee and medical staff education, community benefits programs, to remain viable and technologically current. Advocacy initiatives for promoting community wide, state, or national efforts work to improve health of the population and increase access. Community involvement is key as MDI Hospitals ability to provide high quality health care is directly affected by the policies that are adopted in Augusta and Washington. As competing interests are at work in these venues it is necessary for the community to advocate for the Hospital to ensure its health which is essential to the quality of life in the community. MDI Hospital is a community hospital designated as a critical access hospital which participates in all federal, state and local government programs including Medicare, MaineCare (Medicaid), and Champus. MDI Hospital provides acute and primary care services, including a 24 hour emergency room, serving all patients regardless of their ability to pay. Patients are informed of Federal, State and local government benefits as well as the Hospitals financial assistance and sliding scale discounts. Information is also available to patients in various areas of the Hospital as well as written on the back of their bill. While MDI Hospital may not be directly involved in clinical research, the Jackson Laboratory, an independent non-profit organization and leading genetics research laboratory focusing on mammalian genetics research with a strong research program investigating cancer and other genetic diseases, is a vital member of the Mount Desert Island community as well as its largest employer.</p>

Identifier	ReturnReference	Explanation
SchH_P06_S00_L07	Schedule H, Part VI, Line 7	Maine

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
MOUNT DESERT ISLAND HOSPITAL

Employer identification number
01-0211797

Part I

Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Arthur J Blank	(i) (ii)	247,979 0	6,065 0	0 0	16,500 0	20,274 0	290,818 0	261,451 0
(2) O Lee Haynes MD	(i) (ii)	242,908 0	0 0	0 0	16,500 0	21,432 0	280,840 0	206,959 0
(3) Bradley Perkins	(i) (ii)	132,044 0	4,498 0	0 0	6,150 0	11,264 0	153,956 0	138,839 0
(4) Mary Dudzik MD	(i) (ii)	162,994 0	0 0	0 0	0 0	17,494 0	180,488 0	174,711 0
(5) Julian Kuffler MD	(i) (ii)	220,144 0	0 0	0 0	0 0	22,620 0	242,764 0	252,638 0
(6) Barbara Hannon	(i) (ii)	124,142 0	4,878 0	0 0	6,665 0	21,432 0	157,117 0	151,173 0
(7) Michael Heniser MD	(i) (ii)	285,925 0	0 0	0 0	0 0	9,315 0	295,240 0	306,371 0
(8) Ronald Prokopuis MD	(i) (ii)	254,874 0	0 0	0 0	0 0	28,048 0	282,922 0	283,216 0
(9) Edward White MD	(i) (ii)	334,458 0	0 0	0 0	15,569 0	21,432 0	371,459 0	277,878 0
(10) Stuart Davidson	(i) (ii)	352,577 0	0 0	0 0	16,500 0	13,547 0	382,624 0	0 0
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
SchJ_P01_S00_L01a	Schedule J, Part I, Line 1a	The Hospital provides the CEO's fitness membership, which is approximately \$399 per year. MDI Hospital reimburses all other benefited employees up to \$100 per year towards the YMCA or other health club membership with appropriate supporting documentation.
SchJ_P01_S00_L07	Schedule J, Part I, Line 7	The Hospital provides a performance incentive system for Directors and Vice Presidents who are employees in good standing during the entire fiscal year. The program is based on the organization maintaining top 12 status in overall patient satisfaction, meeting its financial target, as well as individual financial performance and quality improvement objectives.

Schedule K (Form 990)	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	
	Department of the Treasury Internal Revenue Service											Open to Public Inspection
Name of the organization MOUNT DESERT ISLAND HOSPITAL										Employer identification number 01-0211797		

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	MHHEFA 92 Bond			07-01-1992	1,300,000	Contruction and renovation of hospital departments		X		X		X
B	MHHEFA 2006F Bond			07-03-2005	707,200	Replacement of central chiller		X		X		X
C	MHHEFA 2007B Bond			07-03-2007	4,427,988	Clinic construction, office and clinic space		X		X		X
D	MHEFFA 2010 Bond			07-01-2010	1,200,000	Refinancing of 98A Bond for renovation of outpatient service area		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	0		0		0		0	
2	Amount of bonds legally defeased	0		0		0		0	
3	Total proceeds of issue	1,300,000		707,200		4,427,988		1,200,000	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	0		0		0		0	
6	Proceeds in refunding escrow	0		0		0		0	
7	Issuance costs from proceeds	0		0		0		0	
8	Credit enhancement from proceeds	0		0		0		0	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	1,300,000		704,200		4,427,988		0	
11	Other spent proceeds	0		0		0		0	
12	Other unspent proceeds	0		0		0		0	
13	Year of substantial completion	1993		2008		2009		1999	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X		X	X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		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		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?				X		X		X		X

Part IIIPrivate 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		X
b	Are there any research agreements that may result in private business use of bond-financed property?		X		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		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 %		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 %		0 %	
6	Total of lines 4 and 5	0 %		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		X	

Part IVArbitrage

		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		X
2	Is the bond issue a variable rate issue?		X		X		X		X
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		X		X
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X		X		X		X
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
6	Did the bond issue qualify for an exception to rebate?		X		X		X		X

Part VSupplemental Information

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

Identifier	Return Reference	Explanation

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number

01-0211797

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) John Benson MD -- J and D Imaging	Board Member	429,723	Equipment leasing and radiology services		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
SchL_P04_S00_L00	Schedule L, Part IV	John Benson, MD is the proprietor of J&D Imaging Co J&D Imaging does consulting for MDI Hospital in the form of radiology services performed by Dr John Benson MDI Hospital also leases radiology equipment from J&D Imaging Although Dr Benson is a member of the Board of Directors of MDI Hospital, he abstains from any situation which may be deemed a conflict of interest, and duly reports and completes on required disclosures

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number
01-0211797

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles .				
7 Boats and planes				
8 Intellectual property . .				
9 Securities—Publicly traded	X	3	196,691	Fair Market Value
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests .				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other . .				
15 Real estate—Residential .				
16 Real estate—Commercial				
17 Real estate—Other . .				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts . .				
23 Scientific specimens . .				
24 Archeological artifacts .				
25 Other ► (_____)				
26 Other ► (_____)				
27 Other ► (_____)				
28 Other ► (_____)				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29			0
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a	Yes	No	No
b If "Yes," describe the arrangement in Part II				
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes		
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a	Yes		
b If "Yes," describe in Part II				
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II				

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
SchM_P01_S00_L32b	Schedule M, Part I, Line 32b	The hospital policy requires that stock donations are immediately sold by the Advisors Account to which they are received

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 MOUNT DESERT ISLAND HOSPITAL	Employer identification number 01-0211797
---	---

Identifier	Return Reference	Explanation
F990_P04_S00_L38	Form 990, Part IV, Line 38	The answer to this question is Yes. The software will not allow a yes answer.

Identifier	Return Reference	Explanation
F990_P06_S0B_L11a	Form 990, Part VI, Section B, Line 11a	The initial review of the Form 990 is performed by the Finance Sub-Committee of the Board of Director's of the hospital. The members are provided with an electronic copy of the Form 990 and all supporting schedules (printed versions are available upon request). Once reviewed by the Finance Sub-Committee, all Board of Trustees are provided with a copy of the Form 990 and supporting schedules for review. The Form is provided thirty days in advance of filing giving the Board Members opportunity to comment and review, both the CEO, President and CFO, Vice President are available to answer any inquiries. Board Members are also given the opportunity to receive the final copy via an electronic format or a printed copy.

Identifier	Return Reference	Explanation
F990_P06_S0B_L12c	Form 990, Part VI, Section B, Line 12c	Per the Conflict of Interest Policy, the organization monitors and enforces disclosure compliance of interests that could give rise to conflicts by officers, directors or trustees, and key employees Disclosures are completed and submitted to the CEO Board members will abstain from discussions or approval if there is even an appearance of possible conflict of interest during meetings

Identifier	Return Reference	Explanation
F990_P06_S0B_L15	Form 990, Part VI, Section B, Line 15	The compensation for CEO, other Officers and Key Employees of MDI Hospital is reviewed and approved by the governing body. Utilization of data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations is gathered and analyzed to determine compensation for these positions.

Identifier	Return Reference	Explanation
F990_P06_S0C_L19	Form 990, Part VI, Section C, Line 19	The annual report, and form 990, including financial information, is available to the public through our website at mdihospital.org. Additional financial information is available on federal and state governmental websites for required reporting. Governing documents, conflict of interest policy are available upon request, as are audited financial statements.

Identifier	Return Reference	Explanation
F990_P11_S00_L05	Form 990, Part XI, Line 5	Net assets for the previous year have been restated in the amount of (\$1,862,712), bringing the actual net assets at the beginning of the year to \$18,503,430 The actual other change in net assets for the year was \$284,834 This is made up of Gifts and bequests, interest income on investments, realized gain on sale of investments, other miscellaneous expense and a loss on early extinguishment of long-term debt

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
MOUNT DESERT ISLAND HOSPITAL

Employer identification number
01-0211797

Part I

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

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

Part II

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) Birch Bay Village Retirement Community 10 Wayman Lane Bar Harbor, ME 04609 01-0481696	Retirement Community	ME	501(c)(3)	170(b)(1)(A)(iii)	Mount Desert Island Hospital		No

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) Mount Desert Management Company PO Box 8 10 Wayman Lane Bar Harbor, ME04609 01-0538776	Real Estate Development	ME	Birch Bay Village Retirement Community	C	-75,432	1,263,160	1 00 %

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

Yes

No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) Birch Bay Village Retirement Community	q	451,739	Receivable account - A receivable account is maintained on the general ledger of MDI Hospital, as well as an accounts payable account on the general ledger of Birch Bay Village Retirement Community. Transfers to the Birch Bay Village Retirement Community account are recorded as receivables at the time of transfer. A detail of this account is maintained in order to provide this information.
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

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

[illegible]

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Audited Consolidated Financial Statements and Additional Information

Years Ended April 30, 2011 and 2010

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Audited Consolidated Financial Statements	
Consolidated Balance Sheets	2
Consolidated Statements of Operations and Changes in Net Assets	3 - 4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6 - 25
Additional Information	
Mount Desert Island Hospital and Subsidiaries	
Consolidating Balance Sheet	26
Consolidating Statement of Operations and Changes in Net Assets (Deficit)	27 - 28
Birch Bay Retirement Village and Subsidiary	
Consolidating Balance Sheet	29
Consolidating Statement of Operations and Changes in Net Assets (Deficit)	30

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Mount Desert Island Hospital

We have audited the accompanying consolidated balance sheets of Mount Desert Island Hospital and Subsidiaries (The Hospital) as of April 30, 2011 and 2010, 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 Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as 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 Mount Desert Island Hospital and Subsidiaries at April 30, 2011 and 2010, and the consolidated results of their operations and changes in their net assets and their consolidated cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 21, the accompanying 2010 consolidated financial statements have been restated to properly report estimated third-party payor settlements.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The consolidating additional information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the consolidating information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
August 17, 2011

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidated Balance Sheets

April 30, 2011 and 2010

ASSETS

	<u>2011</u>	(As Restated) <u>2010</u>
Current assets		
Cash and cash equivalents	\$ 52,894	\$ 107,268
Accounts receivable, less allowance for uncollectible accounts of \$1,795,066 in 2011 and \$2,120,558 in 2010	5,169,781	4,575,207
Due from Birch Bay Village Association	87,984	78,662
Supplies	515,042	530,874
Prepaid expenses and other current assets	156,419	131,085
Current portion pledges receivable	760,743	244,607
Trustee held funds	<u>920,829</u>	<u>1,470,677</u>
Total current assets	<u>7,663,692</u>	<u>7,138,380</u>
Assets limited as to use or donor restricted		
Board designated funds	8,022,485	7,255,271
Donor-restricted funds	<u>2,416,509</u>	<u>1,786,530</u>
Total investments	10,438,994	9,041,801
Pledges receivable, net of current portion	2,215,837	25,374
Beneficial interest in perpetual trusts	<u>1,657,528</u>	<u>1,561,512</u>
Total assets limited as to use or donor restricted	<u>14,312,359</u>	<u>10,628,687</u>
Estimated settlements from MaineCare	1,918,215	356,040
Property and equipment, net	33,031,999	26,160,352
Other assets		
Cottages held for sale	702,588	702,588
Deferred financing costs, net	206,653	198,544
Real estate development costs	243,469	243,469
Resident priority and construction deposits	125,222	117,934
Investments to fund deferred compensation	1,254,548	977,248
Other assets	<u>308,894</u>	<u>368,220</u>
Total other assets	<u>2,841,374</u>	<u>2,608,003</u>
Total assets	<u>\$ 59,767,639</u>	<u>\$ 46,891,462</u>

The accompanying notes are an integral part of these consolidated financial statements

LIABILITIES AND NET ASSETS

	<u>2011</u>	(As Restated) <u>2010</u>
Current liabilities		
Lines of credit	\$ 3,505,248	\$ 3,457,739
Current portion of long-term obligations	2,095,425	979,597
Accounts payable and other accrued expenses	5,807,578	4,118,597
Accrued payroll and amounts withheld	1,033,027	1,074,185
Accrued employee benefits and related liabilities	2,062,299	1,864,127
Estimated third-party payor settlements	<u>874,365</u>	<u>1,665,211</u>
Total current liabilities	15,377,942	13,159,456
Resident priority and construction deposits	125,222	117,934
Long-term obligations, less current portion	23,603,341	16,619,479
Deferred compensation	<u>1,254,548</u>	<u>977,248</u>
Total liabilities	<u>40,361,053</u>	<u>30,874,117</u>
Commitments and contingencies (Notes 8, 9, 15, 16, and 20)		
Net assets		
Unrestricted	12,146,893	12,422,284
Temporarily restricted	5,250,520	1,699,066
Permanently restricted	<u>2,009,173</u>	<u>1,895,995</u>
Total net assets	<u>19,406,586</u>	<u>16,017,345</u>
 Total liabilities and net assets	 <u>\$ 59,767,639</u>	 <u>\$ 46,891,462</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Operations and Changes in Net Assets

Years Ended April 30, 2011 and 2010

	<u>2011</u>	(As Restated) <u>2010</u>
Unrestricted revenues, gains and other support		
Net patient service revenue	\$ 49,496,610	\$ 46,369,370
Resident revenue	3,261,651	2,761,286
Sales of cottages, net	-	55,000
Other revenue	1,092,937	1,105,752
Net assets released from restrictions used for operations	<u>271,066</u>	<u>34,889</u>
Total revenues, gains and other support	<u>54,122,264</u>	<u>50,326,297</u>
Operating expenses		
Salaries and employee benefits	32,169,773	30,202,224
Supplies and other expenses	15,881,103	15,256,702
Marketing expenses	149,373	123,566
Provision for bad debts	2,965,081	2,931,309
Health care provider tax	879,638	706,276
Depreciation and amortization	2,429,273	2,179,452
Interest	<u>942,672</u>	<u>929,241</u>
Total operating expenses	<u>55,416,913</u>	<u>52,328,770</u>
Loss from operations	<u>(1,294,649)</u>	<u>(2,002,473)</u>
Other income (expense)		
Gifts and bequests	334,956	322,542
Interest income on investments, net	263,248	201,363
Realized gain on sale of investments	625,336	733,838
Other miscellaneous expense	(158,105)	(166,488)
Loss on early extinguishment of long-term debt	<u>(608,152)</u>	<u>-</u>
Other income, net	<u>457,283</u>	<u>1,091,255</u>
Deficiency of revenues, gains, and other support over expenses	<u>(837,366)</u>	<u>(911,218)</u>
Change in unrealized gains on investments	375,355	811,947
Net assets released from restrictions used for purchase of property and equipment	<u>186,620</u>	<u>756,199</u>
(Decrease) increase in unrestricted net assets	<u>(275,391)</u>	<u>656,928</u>

(Continued next page)

The accompanying notes are an integral part of these consolidated financial statements

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

**Consolidated Statements of Operations
and Changes in Net Assets (Concluded)**

Years Ended April 30, 2011 and 2010

	<u>2011</u>	(As Restated) <u>2010</u>
(Decrease) increase in unrestricted net assets (brought forward)	\$ <u>(275,391)</u>	\$ <u>656,928</u>
Temporarily restricted net assets		
Contributions	1,302,541	1,118,509
Change in pledges receivable, net	2,706,599	(372,002)
Net assets released from restrictions	<u>(457,686)</u>	<u>(791,088)</u>
Increase (decrease) in temporarily restricted net assets	<u>3,551,454</u>	<u>(44,581)</u>
Permanently restricted net assets		
Contributions	17,162	-
Change in value of beneficial interest in perpetual trusts	<u>96,016</u>	<u>238,521</u>
Increase in permanently restricted net assets	<u>113,178</u>	<u>238,521</u>
Increase in net assets	3,389,241	850,868
Net assets, beginning of year, as previously stated	16,017,345	17,029,189
Net asset restatement	<u>-</u>	<u>(1,862,712)</u>
Net assets, beginning of year, as restated	<u>16,017,345</u>	<u>15,166,477</u>
Net assets, end of year, as restated	\$ <u>19,406,586</u>	\$ <u>16,017,345</u>

The accompanying notes are an integral part of these consolidated financial statements

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years Ended April 30, 2011 and 2010

	<u>2011</u>	(As Restated) <u>2010</u>
Cash flows from operating activities		
Increase (decrease) in net assets, as restated	\$ 3,389,241	\$ 850,868
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Increase in beneficial interest in perpetual trusts	(96,016)	(238,521)
Depreciation and amortization	2,429,273	2,179,452
Provision for bad debts	2,965,081	2,931,309
Loss on early extinguishment of long-term debt	608,152	-
Loss (gain) on sale of property and equipment	34,014	(24,943)
Change in net unrealized gains on investments	(375,355)	(811,947)
Realized gains on investments	(625,336)	(733,838)
Restricted contributions	(1,319,703)	(1,118,509)
Pledges receivable, net	(2,706,599)	372,002
Change in operating assets and liabilities		
Accounts receivable	(3,559,655)	(2,873,460)
Other accounts receivable	50,004	(66,175)
Estimated third-party payor settlements	(2,353,021)	1,548,984
Prepaid expenses and other current assets and supplies	(9,502)	14,788
Accounts payable and other accrued expenses	1,688,981	840,579
Accrued payroll and employee benefits	157,014	199,095
Net cash provided by operating activities	<u>276,573</u>	<u>3,069,684</u>
Cash flows from investing activities		
Purchases of property and equipment	(9,051,605)	(1,902,578)
Proceeds from sale of cottages	-	380,000
Purchases of investments	(8,510,427)	(3,089,200)
Proceeds from sales of investments	8,113,925	2,028,786
Decrease in trustee held funds	549,848	292,702
Increase (decrease) in resident priority and construction deposits	7,288	(16,339)
Net cash used by investing activities	<u>(8,890,971)</u>	<u>(2,306,629)</u>
Cash flows from financing activities		
Restricted contributions	1,319,703	1,118,509
Repayments of long-term obligations	(690,901)	(1,534,614)
Net proceeds from (repayments on) lines of credit	47,509	(450,176)
Change in resident priority and contribution deposits	(7,288)	16,339
Additions to deferred financing costs	(26,554)	-
Proceeds of long-term obligations	7,917,555	-
Net cash provided (used) by financing activities	<u>8,560,024</u>	<u>(849,942)</u>
Decrease in cash and cash equivalents	(54,374)	(86,887)
Cash and cash equivalents, beginning of year	<u>107,268</u>	<u>194,155</u>
Cash and cash equivalents, end of year	\$ <u>52,894</u>	\$ <u>107,268</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ <u>990,023</u>	\$ <u>934,715</u>

Noncash transactions

In 2011, the Hospital entered into capital lease obligations, acquiring assets with a value of \$278,000. The lease commitments and capital assets have been treated as noncash transactions.

During 2011, the Hospital refinanced its Series 1998A and 2001A Bonds (\$8,347,822) by issuing Series 2010B Bonds (\$9,069,522). The Series 2010B Bonds and the retirement of the Series 1998A and 2001A Bonds have been treated as noncash transactions.

The accompanying notes are an integral part of these consolidated financial statements.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

1. Nature of Operations

Mount Desert Island Hospital (the Hospital) is a not-for-profit health care facility designated as a critical access hospital located in Bar Harbor, Maine. Birch Bay Retirement Village (BBRV or the Community) operates a facility (the Inn) consisting of 32 assisted living and 23 independent living units. Mount Desert Management Company (MDMC) is a for-profit entity (owned by BBRV) established to develop cottages, which are part of the Community and are located in close proximity to the Inn. Once the cottages are completed and sold, ownership of the cottages is transferred from MDMC to Birch Bay Village Association (BBVA or Association). The Association is a separate entity owned by the shareholders/cottage owners. Its assets, liabilities and operations are not included in these financial statements.

2. Summary of Accounting Policies

Principles of Consolidation

The accompanying financial statements include the accounts of the Hospital and its wholly-owned subsidiaries, BBRV and its subsidiary MDMC. Intercompany balances and transactions have been eliminated from the consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Highly liquid savings deposits and investments with maturities of three months or less when purchased are considered cash equivalents.

The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. It has experienced no losses in such accounts, and management believes it is not exposed to any significant risk on cash and cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheet. Investment income or loss (including realized gains and losses on investments, amortization of premiums and discounts, interest and dividends) is included in other income, unless the income or loss is restricted by donor or law. Gains and losses on sales of investments are computed based on specific identification of the investment sold. Unrealized gains and losses on investments are excluded from the deficiency of revenues, gains and other support over expenses. On a periodic basis, the Hospital evaluates its investments to determine if declines in market value below cost are other than temporary. If such declines are determined to be other than temporary, an impairment charge is recognized and included in the deficiency of revenues, gains and other support over expenses.

Investments in general are exposed to various risks such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the balance sheets and statements of operations.

Supplies

Supplies and pharmaceuticals are carried at the lower of cost (determined by the first-in, first-out method) or market.

Assets Limited as to Use

In connection with its bonds payable to Maine Health and Higher Educational Facilities Authority (MHHEFA), the Hospital is required to maintain certain funds which are held by bond trustees. In addition, the Board of Trustees periodically segregates certain general fund assets as internally designated assets in order to provide for the future replacement of property and equipment and other uses.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets represent assets held in trust on behalf of the Hospital restricted by donors to be maintained in perpetuity.

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the outstanding bonds payable to MHHEFA and are being amortized on a straight-line basis over the term of the respective debt.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

Property and Equipment

Property and equipment is stated at cost or at fair value at the date of donation for assets contributed to the Hospital. The provision for amortization and depreciation of property and equipment has been determined on the straight-line method in a manner which is intended to amortize the cost of assets over their estimated useful lives. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded on such assets.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and excluded from the deficiency of revenues, gains, and other support over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined and may be materially different from these estimates.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

Charity Care

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity care patient by reference to certain established policies of the Hospital. These policies define charity services as those services for which no payment is anticipated. In assessing a patient's eligibility for charity care, the Hospital utilizes federally established poverty guidelines. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

Deficiency of Revenues, Gains, and Other Support Over Expenses

The consolidated statements of operations and changes in net assets include deficiency of revenues, gains, and other support over expenses. Changes in unrestricted net assets which are excluded from this measure, consistent with industry practice, include changes in unrealized gains on investments and net assets released from restrictions used for purchase of property and equipment.

Retirement Plan

The Hospital sponsors the Mount Desert Island Hospital Retirement Contribution Plan (the Plan), a defined contribution plan which provides retirement benefits to eligible employees. It is the Hospital's policy to fund the costs of the Plan on an annual basis.

Income Taxes

The Hospital and BBRV are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. MDMC is a for-profit entity and is, therefore, subject to income taxes. Income taxes are recorded based upon the asset and liability method as prescribed by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*. At April 30, 2011 and 2010, MDMC has certain net operating loss carryforwards which have been reduced by a valuation allowance of an equal amount as it is not presently considered likely that the deferred tax assets will be realized.

Reclassification

Certain amounts in the 2010 financial statements have been reclassified to conform to the current year's presentation.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

3 Net Patient Service Revenue

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

- Medicare - The Hospital is designated as a Critical Access Hospital (CAH). Under that designation, the Hospital is reimbursed 101% of allowable cost for its inpatient and outpatient services provided to Medicare patients. The Hospital is reimbursed for cost reimbursable items at tentative interim rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through April 30, 2005.
- MaineCare - The Hospital's approval for CAH status also impacts reimbursement under the MaineCare program, whereby the Hospital is reimbursed 109% (117% prior to July 1, 2009) of allowable cost for inpatient and outpatient services. Other items not classified as inpatient or outpatient by MaineCare are reimbursed at cost or some specified discount from cost. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary. Final settlements have been issued through April 30, 2005.
- Other - The Hospital has entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

Revenue from the Medicare and MaineCare programs accounted for approximately 44% and 11%, respectively, of the Hospital's gross patient service revenue for the year ended April 30, 2011, and 44% and 9%, respectively, for the year ended April 30, 2010. Laws and regulations governing the Medicare and MaineCare programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue decreased by approximately \$200,000 in 2011 and increased by approximately \$362,000 in 2010 as a result of changes to prior year estimated third-party payor settlements.

For several years, interim payments from the MaineCare program have been significantly below the amounts due to the Hospital based upon the reimbursement statutes in effect. In fiscal year 2010, the Hospital received interim payments for 2006 and 2007 funded from federal stimulus appropriations. In fiscal year 2011, the Hospital paid and received interim settlements for 2007 and 2008, respectively, and paid a tentative settlement for 2009. However, the remaining net outstanding cost settlements due from the MaineCare program (2006 – 2011) have been reported as noncurrent assets because the State of Maine's current budget does not provide for any further settlements. Therefore, they are not reasonably expected to be received within one year of the balance sheet date.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

Net patient service revenue consists of the following for the years ended April 30

	<u>2011</u>	<u>2010</u>
Gross patient service charges	\$67,743,054	\$ 61,504,915
Contractual adjustments	17,391,128	14,222,614
Charity care	<u>855,316</u>	<u>912,931</u>
Net patient service revenue	<u>\$49,496,610</u>	<u>\$ 46,369,370</u>

4. Trustee Held Funds

As part of the agreements the Hospital has with MHHEFA in conjunction with its bond issues, the Hospital is required to maintain certain bond funds. The total amounts held in these funds by a trustee are as follows at April 30

	<u>2011</u>	<u>2010</u>
Debt service and construction funds		
1992	\$ 58,799	\$ 53,159
1998A	-	109,546
2001A	-	311,872
2002A	78,140	78,873
2006F	76,933	78,066
2007B	280,219	839,161
2010B	<u>426,738</u>	<u>-</u>
	<u>\$ 920,829</u>	<u>\$ 1,470,677</u>

All trustee held funds consist of cash and cash equivalents and the market value of these instruments approximates cost

5. Investments

Investments are designated as follows at April 30

	<u>2011</u>	<u>2010</u>
Assets limited as to use - board designated		
J C Warren Employee Education Program	\$ 252,348	\$ 304,785
MDI Unrestricted Fund	7,679,223	6,818,033
Other	<u>90,914</u>	<u>132,453</u>
	<u>8,022,485</u>	<u>7,255,271</u>
Assets limited as to use - donor restricted funds		
Temporarily restricted	2,082,026	1,452,047
Permanently restricted	<u>334,483</u>	<u>334,483</u>
	<u>2,416,509</u>	<u>1,786,530</u>
	<u>\$10,438,994</u>	<u>\$ 9,041,801</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

Unrestricted and restricted investments at fair value consist of the following at April 30

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 2,395,915	\$ 1,850,635
U S government securities	-	320,972
Mutual funds	<u>8,043,079</u>	<u>6,870,194</u>
	<u>\$10,438,994</u>	<u>\$ 9,041,801</u>

At April 30, 2011 and 2010, unrealized losses on certain investments whose cost was greater than fair value approximated \$3,600 and \$16,000, respectively. Management considers all impairments to be temporary.

Investment income and gains for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ended April 30

	<u>2011</u>	<u>2010</u>
Income		
Interest and dividend income	\$ 301,097	\$ 227,038
Realized gains on sales of securities	625,336	733,838
Management fees	<u>(37,849)</u>	<u>(25,675)</u>
	<u>\$ 888,584</u>	<u>\$ 935,201</u>
Other changes in unrestricted net assets		
Change in net unrealized gains	<u>\$ 375,355</u>	<u>\$ 811,947</u>

The Hospital's primary responsibility is to provide health care services to the communities within its service area. In order to accomplish this goal, the Hospital maintains resources to assure monies are available to provide for future retirement of debt, replacement of capital equipment, and a return on investment in order to accommodate inflationary increases in equipment costs and to remain technologically current.

In accordance with the State of Maine's Uniform Prudent Management of Institutional Funds Act, the Hospital treats earnings on permanently restricted funds as temporarily restricted until appropriated for expenditure by proper governing Board action.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

The basic objectives of the Hospital's investment policy are to emphasize long-term growth of principal while avoiding excessive risk and to achieve returns in excess of spending plus the rate of inflation over the investment horizon in order to preserve the purchasing power of Plan assets to fund new programs and capital purchases. The long-term asset mix of investments is based on the following allocation guidelines:

<u>Asset Class</u>	<u>Range Minimum-Maximum</u>
Equities	40% - 85%
Fixed income securities (including cash equivalents)	0% - 60%
Alternative investments	0% - 20%

Total annualized returns of an actively managed portfolio are expected to

- Meet or exceed, on a risk adjusted basis, the return of a balanced market index comprised of

40%	S&P 500
10%	Russell 2000
20%	MSCI EAFE Net Index
20%	Lehman Brothers Govt/Corp
10%	Alternatives Index

- Achieve a real return of 5%, and an absolute return of 8%

It is expected the investment portfolio will display an overall level of risk which is consistent with the risk associated with the composite benchmark specified above. Risk will be measured by the standard deviation of quarterly returns.

6. Property and Equipment

A summary of property and equipment at April 30 follows:

	<u>2011</u>	<u>2010</u>
Land and improvements	\$ 3,949,537	\$ 1,294,548
Buildings	33,400,637	28,963,375
Fixed equipment	<u>14,503,138</u>	<u>16,619,021</u>
	51,853,312	46,876,944
Less allowances for depreciation and amortization	<u>(22,848,436)</u>	<u>(23,764,398)</u>
	29,004,876	23,112,546
Construction in progress	<u>4,027,123</u>	<u>3,047,806</u>
Property and equipment, net	<u>\$ 33,031,999</u>	<u>\$ 26,160,352</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

7. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are held in the form of long-term investments, contributions receivable from a remainder trust and pledges receivable, and are available for the following purposes

	<u>2011</u>	<u>2010</u>
Ambulance related programs	\$ 25,000	\$ 25,000
U-Penn Feasibility	1,105,849	214,712
Community Health Center	282,610	363,213
CT Scanner	50,445	186,806
Patient care modernization capital campaign	2,011	24,841
Straus Center support	594,968	711,759
PCS Program support	199,436	90,352
Equipment	48,840	42,368
Campus Expansion support	2,655,487	-
Other	<u>285,874</u>	<u>40,015</u>
	<u>\$ 5,250,520</u>	<u>\$ 1,699,066</u>

Permanently restricted net assets are restricted to

	<u>2011</u>	<u>2010</u>
Investments to be held in perpetuity, the income from which is expendable for free care and hospital operations (reported as operating income when released)	\$ 351,645	\$ 334,483
Beneficial interest in trust funds held by others	<u>1,657,528</u>	<u>1,561,512</u>
	<u>\$ 2,009,173</u>	<u>\$ 1,895,995</u>

The Hospital is the beneficiary of three trusts at April 30, 2011 and 2010, a portion of the income from which is to be paid to the Hospital in perpetuity. The Hospital's interest in the trusts is recognized as an asset at the fair market value of the underlying assets, which totaled \$1,657,528 and \$1,561,512 as of April 30, 2011 and 2010, respectively. Increases and decreases in the carrying value of these assets are included in permanently restricted net assets.

8. Real Estate Development Costs/Birch Bay Retirement Village

Birch Bay Retirement Village is a retirement community located in Hulls Cove, Maine, which consists of several different components located on the same campus. One component of the Community is a 55-unit facility referred to as the Inn, which consists of 32 assisted living suites and 23 independent living apartments.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

The other component of the Community is the development of 20 separate cottage units. The construction costs related to the development of the cottages are carried by MDMC. As of April 30, 2011, construction of 17 of the 20 units is complete. A total of 15 of the 17 units were sold as of April 30, 2011 and 2010. The cost of the remaining unsold units of \$702,588 is shown as cottages held for sale at April 30, 2011 and 2010 and the carrying amounts of the cottages approximate their fair values. The remaining real estate development costs of \$243,469 in the consolidated balance sheet at April 30, 2011 and 2010, represent the pro rata common costs related to the development of the three unbuilt cottages. Once the cottages are completed and sold, ownership of the cottages transfers to BBVA and occupancy of the units at BBVA is made available to shareholders of BBVA through residency agreements. The cost of these cottages and operating results of BBVA are not reflected in the Hospital's consolidated financial statements.

The land the cottages are situated on is leased from BBRV to BBVA and is managed by MDMC. The land lease requires monthly rental payments for a period of 99 years. The initial base rent is \$600 per completed cottage per year. Annually, the base rent shall be adjusted upwards in accordance with the Consumer Price Index (CPI). Lease payments were \$12,000 in both 2011 and 2010, and management fees were approximately \$117,000 in 2011 and \$111,000 in 2010. Due from BBVA of \$87,984 and \$78,662 at April 30, 2011 and 2010, respectively, represents land lease and cooperative fees.

As of April 30, 2011 and 2010, the Hospital maintained priority deposits to reserve units in the Inn, as well as security deposits for residents, totaling \$125,222 and \$117,934, respectively. These funds are held separately. The priority deposits are noninterest bearing and are refundable.

9. Construction in Progress and Pledges Receivable

During 2008, the Hospital purchased a nearby property and building for approximately \$2.6 million. The purchase was funded in part through the proceeds of the 2007B MHHEFA Revenue Bonds, with the remainder of the funding provided by a mortgage. The Hospital intends to renovate the existing building to provide additional clinic and administrative office space. At April 30, 2011 and 2010, the Hospital has approximately \$3.1 million and \$2.9 million, respectively, of costs in construction in progress related to the project. The expected costs for completion have not yet been determined.

During 2011, the Hospital began the installation and implementation of an Electronic Health Record system. At April 30, 2011 the Hospital has approximately \$674,000 of costs in construction in progress related to this project. Total estimated costs for completion are approximately \$1.5 million.

At April 30, 2011 and 2010, approximately \$390,000 and \$250,000, respectively, of capitalized interest costs are included in construction in progress.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

Pledges receivable under gifts for the related capital and equipment campaigns and the campus expansion gift include the value of future unconditional promises to give from donors for temporarily restricted purposes. The future amounts receivable at April 30, 2011 are as follows:

Capital & Equipment Campaigns	
Due within one year	\$ 332,172
Due within two to five years	<u>433,791</u>
Total Capital & Equipment Campaigns receivable	<u>765,963</u>
Campus Expansion Gift	
Due within one year	428,571
Due within two to five years	<u>2,136,559</u>
Total Campus Expansion Gift receivable	<u>2,565,130</u>
Total receivable	3,331,093
Less allowance for uncollectible pledges	(10,000)
Less discount to present value	<u>(344,513)</u>
	<u>\$ 2,976,580</u>

10. Lines of Credit

The Hospital has an available commercial line of credit with interest at the prime lending rate (3 25% at April 30, 2011). Maximum borrowings under the agreement are \$3,000,000. The line is subject to renewal August 31, 2011.

The Hospital has a second available commercial line of credit with interest at the prime lending rate plus 25% (3 5% at April 30, 2011). Maximum borrowings under the agreement are \$1,000,000. The line is subject to renewal August 31, 2011.

The Hospital has a third available commercial line of credit with interest at the prime lending rate (3 25% at April 30, 2011). Maximum borrowings under the agreement are \$1,000,000. The line is subject to renewal August 31, 2011.

Amounts outstanding on these lines at April 30, 2011 and 2010 were \$3,505,248 and \$3,457,739, respectively. Advances are collateralized by the Hospital's unrestricted investments.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

11. Long-Term Obligations

Long-term obligations consist of the following at April 30

	<u>2011</u>	<u>2010</u>
Mount Desert Island Hospital		
MHHEFA Revenue Bonds, Series 2010B, interest rates varying between 2.5% and 5.0%, principal due in amounts ranging from \$120,000 on July 1, 2011 to \$150,000 on July 1, 2018, plus original issue premium of \$60,821 in 2011	\$ 982,188	\$ -
MHHEFA Revenue Bonds, Series 2007B, interest rates varying between 4.0% and 4.3%, principal due in amounts ranging from \$275,000 on July 1, 2011 to \$430,000 on July 1, 2022, plus original issue premium of \$19,460 in 2011 and \$21,140 in 2010	3,737,948	4,004,628
MHHEFA Revenue Bonds, Series 2006F, with interest at 4%, principal due in amounts ranging from \$85,000 on July 1, 2011 to \$105,000 on July 1, 2016	462,200	547,200
MHHEFA Revenue Bonds, Series 1998A, interest rates varying between 4.125% and 5.45%, principal due in amounts ranging from \$110,000 on July 1, 2010 to \$160,000 on July 1, 2018, net of original issue discount of \$6,874 in 2010 Refunded in 2011	-	1,038,827
MHHEFA Revenue Bonds, Series 1992, interest at 80% of prime rate (2.60% at April 30, 2011), principal due in amounts of \$100,000 on October 1, 2011 and October 1, 2012	200,000	290,000
\$3,600,000 mortgage note payable, interest rate of 5.5% through February 6, 2016 and then the prime rate (3.25% at April 30, 2011) plus 0.75% through January 6, 2036, monthly installments of \$22,278, including interest through February 6, 2016 becoming variable through January 6, 2036 based on the prime rate in effect, collateralized by real estate	3,582,063	-

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
\$2,700,000 note payable, interest rate of 5.25%, quarterly interest only payments beginning February 1, 2011, annual principal only payments of \$450,000 beginning February 1, 2012 with one final principal and interest payment due February 1, 2017, collateralized by real estate	2,700,000	-
\$2,150,000 note payable, interest rate of 5.0%, monthly interest only payments beginning November 30, 2010 through April 30, 2011, principal and interest payments of \$49,583 thereafter through April 30, 2015, collateralized by equipment	1,514,805	-
\$197,000 mortgage note payable, interest at the greater of the prime rate plus 0.75% or 4.25% (4.25% at April 30, 2011), monthly installments of \$1,074 including interest through May 19, 2035, collateralized by real estate	192,084	-
\$183,750 mortgage note payable, interest at the greater of the prime rate plus 1.0% or 4.25% (4.25% at April 30, 2011), monthly installments of \$1,002 including interest through March 18, 2036, collateralized by real estate	183,420	-
6% mortgage payable in monthly installments of \$13,612, including interest through January 9, 2028, collateralized by real estate	1,723,406	1,781,444
Various capital leases bearing interest at fixed rates ranging from 5.24% to 8.04%, maturing through May 2016, collateralized by equipment	357,102	196,640
Birch Bay Retirement Village		
MHHEFA Revenue Bonds, Series 2010B, interest rates varying between 2.5% and 5.25%, principal due in amounts ranging from \$255,000 on July 1, 2011 to \$600,000 on July 1, 2031, plus net original issue premium of \$256,153 in 2011	8,003,278	-

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
MHHEFA Revenue Bonds, Series 2002A, interest rates varying between 3 0% and 5 15%, principal due in amounts ranging from \$55,000 on July 1, 2011 to \$150,000 on July 1, 2032, net of original issue discount of \$20,944 in 2011 and \$23,499 in 2010	1,893,044	1,945,489
MHHEFA Revenue Bonds, Series 2001A, interest rates varying between 3 45% and 5 25%, principal due in amounts ranging from \$215,000 on July 1, 2010 to \$615,000 on July 1, 2031, net of original issue discount of \$72,119 in 2010 Refunded in 2011	-	7,604,857

Mount Desert Management Company

Loan payable in monthly installments of \$2,542, including interest, at the greater rate of prime plus 1% (4 25% at April 30, 2011) or 5%, through December 1, 2011 with a balloon payment of all outstanding principal and interest due in full on December 31, 2011, collateralized by a mortgage on cottages held for sale	<u>167,228</u>	<u>189,991</u>
	25,698,766	17,599,076
Less current portion	<u>2,095,425</u>	<u>979,597</u>
Long-term obligations, excluding current portion	<u>\$23,603,341</u>	<u>\$16,619,479</u>

In 2003, BBRV and the Hospital entered into an Assumption and Co-Obligor Agreement (the Agreement) under which BBRV assumed all of the obligations under the Series 2002A and Series 2001A bonds and became co-obligated on a joint and several basis with the Hospital under the bonds. The Hospital was not released or discharged in any way from its obligations under the bonds. In conjunction with the Agreement, the Hospital also transferred the assets related to the Inn, as well as the Series 2002A and 2001A bonds, to BBRV. The 2001A bonds were refunded in full in 2011.

The Hospital and BBRV are required to make monthly deposits with the trustee to fund principal and interest payments on the bonds as they come due. The 2010, 2007, 2006, and 1992 bonds are, and the 1998 bonds were, collateralized by a security interest in all gross receipts of the Hospital, its equipment and a mortgage lien on the Hospital. The 2002 bonds are, and the 2001A bonds were, collateralized by the gross receipts of the Hospital, gross receipts of BBRV and the BBRV facility under a mortgage agreement. The 2010B bonds are collateralized by the gross receipts of BBRV, its equipment and fixtures, and a mortgage lien on BBRV.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

Under its agreements with MHHEFA, the Hospital and BBRV must meet certain restrictive loan covenants. They are not in compliance with certain of these requirements at April 30, 2011.

MDMC has a loan to finance the construction of the cottages for an amount not to exceed \$3,500,000. During 2011, under an allonge dated April 29, 2011, payment terms were amended such that principal and interest are paid monthly through December 1, 2012. Outstanding balances under the note were \$167,228 and \$189,991 at April 30, 2011 and 2010, respectively. Advances under the loan bear interest at the greater of the prime rate plus 1% (4.25% at April 30, 2011) or 5%, with monthly payments, including interest. The loan is collateralized by the land and cottages to be constructed, as well as an assignment of the purchase and sale contracts entered into and construction deposits held by MDMC. Advances are available for up to 75% of the construction cost of each unit and the bank will advance for construction of two unsold cottages. Advances are to be repaid with 70% of the proceeds from cottage sales and any remaining outstanding principal and interest is due in full on December 31, 2012.

Assets recorded under capital leases totaled approximately \$2,177,951 and \$1,899,951 at April 30, 2011 and 2010, respectively. Accumulated amortization associated with these assets totaled \$1,481,829 and \$1,288,422 in 2011 and 2010, respectively. The cost of these assets have been included with property and equipment. Because the Hospital has the right to purchase the leased assets for nominal amounts at the end of the lease terms, such assets are amortized over their useful lives, which exceeds the lease terms. Amortization expense for assets under capital leases was approximately \$193,000 and \$157,000 in 2011 and 2010, respectively, and has been included with depreciation expense in the consolidated financial statements.

Scheduled principal repayments on long-term obligations are as follows:

	Long-term <u>Obligations</u>	Capital Lease <u>Obligations</u>
2012	\$ 2,000,400	\$ 114,624
2013	2,050,000	114,624
2014	1,961,000	106,520
2015	1,509,000	66,000
2016	1,540,000	5,500
Thereafter	<u>16,281,264</u>	<u>-</u>
	25,341,664	407,268
Less amounts representing interest	<u>-</u>	<u>50,166</u>
	<u>\$ 25,341,664</u>	<u>\$ 357,102</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

12. Deferred Compensation

The Hospital has established a deferred compensation plan that permits management and highly compensated employees to defer portions of their compensation based on Internal Revenue Service guidelines. The Hospital has recorded \$1,254,548 at April 30, 2011, to reflect its liability under this plan. The Hospital has established a Trust to finance obligations under the plan. The Hospital has recorded a corresponding asset of \$1,254,548 (assets consist entirely of mutual funds) at April 30, 2011. Under the plan, all gains and losses in trust fund investments increase or decrease the deferred compensation liability.

13. Retirement Plan

The Hospital has a defined contribution retirement plan which allows employees to defer certain amounts into the plan and also provides for employer contributions into the plan on behalf of an employee up to 3.5% of employee earnings. Participation in the plan is subject to certain eligibility requirements. Pension expense was \$761,793 and \$753,570 for 2011 and 2010, respectively.

14. Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	<u>2011</u>	<u>2010</u>
Medicare	26 %	23 %
MaineCare	17	14
Anthem	7	7
Other third-party payors	22	22
Patients	<u>28</u>	<u>34</u>
	<u>100 %</u>	<u>100 %</u>

15. Contingencies

Medical Malpractice Insurance

The Hospital maintains malpractice insurance coverage on a claims made basis. The Hospital is subject to complaints, claims and litigation due to potential claims which arise in the normal course of business. The Hospital has evaluated the potential exposure under known claims and has determined that as of April 30, 2011, no known malpractice claims have been asserted against the Hospital which, either individually or in the aggregate, are in excess of insurance coverage or expected to settle in excess of insurance coverage. The Hospital intends to renew coverage on a claims made basis and anticipates that such coverage will be available.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

Self-Insurance Program

The Hospital self-insures its employee health benefits and has estimated and recorded amounts to meet its expected obligations under the program. Total expense for health benefits was \$4,947,813 and \$4,682,121, in 2011 and 2010, respectively. The Hospital provided services totaling \$2,654,554 and \$2,297,722 in 2011 and 2010, respectively, which represents services rendered for Hospital employees for which the Hospital recorded revenue. Stop loss insurance coverage is in effect which mitigates the Hospital's exposure to loss on an individual and aggregate basis.

The Hospital also participates in a self-insured workers' compensation insurance plan through an industry cooperative. Current funding levels by the Hospital and other participants in the cooperative are expected to be adequate to meet future claims. Excess insurance has been purchased to mitigate the cooperative's exposure to loss on large aggregate claims over a certain level.

16. Operating Leases

The Hospital maintained a building and land lease for office and parking space in Bar Harbor, Maine. The lease consisted of rent of the first and second floor, including parking space, for a period of ten years commencing on June 1, 2005 and ending May 31, 2015, and rent of the third floor for a period of five years commencing on June 1, 2005 and ending May 31, 2010. The rental of the third floor included a five-year renewal option. Annual rental payments for the first and second floor, including parking space, were approximately \$220,000, and annual rental payments for the third floor were approximately \$110,000. Rent expense related to this lease was approximately \$247,500 in 2011 and \$330,000 in 2010, respectively. This lease was terminated in January 2011 due to the purchase of the land and building by the Hospital.

The Hospital also leases medical buildings and equipment under operating leases with varying terms and expiration dates. Rent expense, under these leases, for the years ended April 30, 2011 and 2010, was \$187,365 and \$119,202, respectively. At April 30, 2011, future minimum payments are approximately as follows:

2012	\$ 140,339
2013	135,470
2014	137,936
2015	140,464
2016	59,355
Thereafter	<u>-</u>
	<u>\$ 613,564</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

17. Volunteer Services (Unaudited)

Total volunteer service hours provided annually to the Hospital were approximately 3,900 and 2,700 in 2011 and 2010, respectively. The volunteers provide various nonspecialized services to the Hospital, none of which have been recognized as revenue or expense in the statement of operations.

18. Functional Expenses

The Hospital provides general health services to residents within its geographic location. Expense related to providing these services are as follows:

	<u>2011</u>	<u>2010</u>
Health care services	\$39,456,208	\$ 36,791,757
General and administrative	10,922,027	10,766,323
Health care provider tax	879,638	706,276
Cottage and Inn expenses	<u>4,159,040</u>	<u>4,064,414</u>
	<u>\$55,416,913</u>	<u>\$ 52,328,770</u>

Included in general and administrative expense are fundraising costs of approximately \$150,000 in 2011 and 2010.

19. Fair Value Measurements

FASB ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

Assets and liabilities measured at fair value on a recurring basis are summarized below. Fair values were primarily determined using market and income approaches.

Fair Value Measurements at April 30, 2011				
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Cash and cash equivalents	\$ 2,395,915	\$ -	\$ -	\$ 2,395,915
Mutual funds				
Exchange traded funds	1,567,784	-	-	1,567,784
Balanced funds	523,129	-	-	523,129
Fixed funds	1,121,391	-	-	1,121,391
Growth funds	2,258,382	-	-	2,258,382
Value funds	679,369	-	-	679,369
International funds	1,893,024	-	-	1,893,024
Investments to fund deferred compensation	1,254,548	-	-	1,254,548
Beneficial interest in perpetual trusts	-	1,657,528	-	1,657,528
Total	\$ 11,693,542	\$ 1,657,528	\$ -	\$ 13,351,070

Fair Value Measurements at April 30, 2010				
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Cash and cash equivalents	\$ 1,850,635	\$ -	\$ -	\$ 1,850,635
U S government securities	320,972	-	-	320,972
Mutual funds				
Exchange traded funds	2,280,481	-	-	2,280,481
Balanced funds	515,169	-	-	515,169
Fixed funds	874,717	-	-	874,717
Growth funds	1,584,251	-	-	1,584,251
Value funds	511,680	-	-	511,680
International funds	1,103,896	-	-	1,103,896
Investments to fund deferred compensation	977,248	-	-	977,248
Beneficial interest in perpetual trusts	-	1,561,512	-	1,561,512
Total	\$ 10,019,049	\$ 1,561,512	\$ -	\$ 11,580,561

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2011 and 2010

The value of the beneficial interest in perpetual trusts was determined using the value of the underlying investments

20. Subsequent Events

For purposes of the preparation of these financial statements in conformity with U S generally accepted accounting principles, the Hospital has considered transactions or events occurring through August 17, 2011, which was the date that the financial statements were available to be issued

In July 2011, the Hospital entered into an agreement with a bank to allow the withdrawal of up to one million dollars from their Board designated funds which are collateral for their outstanding lines of credit totalling \$3,505,248 at April 30, 2011. The agreement calls for the repayment and termination of one outstanding line of credit (\$1,000,000 as of April 30, 2011) no later than April 30, 2012 and another line of credit (\$0 as of April 30, 2011) no later than April 30, 2013. The Hospital also agreed to meet with the bank to determine a repayment schedule for the other outstanding line of credit (\$2,505,248 as of April 30, 2011) no later than September 30, 2011.

21. Restatement

The May 1, 2009 unrestricted net asset balance was decreased by \$1,862,712 to properly state MaineCare settlement estimates related to fiscal years 2007 and 2008.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidating Balance Sheet

April 30, 2011

	ASSETS			
	Mount Desert Island Hospital	Consolidated Birch Bay Retirement Village	Elimi- nations	Total
Current assets				
Cash and cash equivalents	\$ 34,647	\$ 18,247	\$ -	\$ 52,894
Accounts receivable, net	4,907,393	262,388	-	5,169,781
Due from Birch Bay Village Association	-	87,984	-	87,984
Supplies	515,042	-	-	515,042
Prepaid expenses and other current assets	148,458	7,961	-	156,419
Current portion of pledges receivable	760,743	-	-	760,743
Trustee held funds	<u>524,479</u>	<u>396,350</u>	<u>-</u>	<u>920,829</u>
Total current assets	<u>6,890,762</u>	<u>772,930</u>	<u>-</u>	<u>7,663,692</u>
Assets limited as to use or donor restricted				
Board designated funds	8,022,485	-	-	8,022,485
Donor-restricted funds	<u>2,416,509</u>	<u>-</u>	<u>-</u>	<u>2,416,509</u>
Total investments	10,438,994	-	-	10,438,994
Pledges receivable, net of current portion	2,215,837	-	-	2,215,837
Beneficial interest in perpetual trusts	<u>1,657,528</u>	<u>-</u>	<u>-</u>	<u>1,657,528</u>
Total assets limited as to use or donor restricted	<u>14,312,359</u>	<u>-</u>	<u>-</u>	<u>14,312,359</u>
Due from affiliates	4,162,928	309,807	(4,472,735)	-
Estimated settlements from MaineCare	1,918,215	-	-	1,918,215
Property and equipment, net	24,091,510	8,940,489	-	33,031,999
Other assets				
Cottages held for sale	-	702,588	-	702,588
Deferred financing costs, net	99,908	106,745	-	206,653
Real estate development costs	-	243,469	-	243,469
Resident priority and construction deposits	-	125,222	-	125,222
Investments to fund deferred compensation	1,254,548	-	-	1,254,548
Other assets	<u>178,894</u>	<u>130,000</u>	<u>-</u>	<u>308,894</u>
Total other assets	<u>1,533,350</u>	<u>1,308,024</u>	<u>-</u>	<u>2,841,374</u>
Total assets	<u>\$ 52,909,124</u>	<u>\$ 11,331,250</u>	<u>\$ (4,472,735)</u>	<u>\$ 59,767,639</u>

LIABILITIES AND NET ASSETS (DEFICIT)

	Mount Desert Island Hospital	Consolidated Birch Bay Retirement Village	Elimi- nations	Total
Current liabilities				
Lines of credit	\$ 3,505,248	\$ -	\$ -	\$ 3,505,248
Current portion of long-term obligations	1,762,835	332,590	-	2,095,425
Accounts payable and other accrued expenses	5,452,012	355,566	-	5,807,578
Accrued payroll and amounts withheld	926,205	106,822	-	1,033,027
Accrued employee benefits and related liabilities	2,062,299	-	-	2,062,299
Estimated third-party payor settlements	<u>874,365</u>	<u>-</u>	<u>-</u>	<u>874,365</u>
Total current liabilities	14,582,964	794,978	-	15,377,942
Due to affiliate	309,807	4,162,928	(4,472,735)	-
Resident priority and construction deposits	-	125,222	-	125,222
Long-term obligations, less current portion	13,872,381	9,730,960	-	23,603,341
Deferred compensation	<u>1,254,548</u>	<u>-</u>	<u>-</u>	<u>1,254,548</u>
Total liabilities	<u>30,019,700</u>	<u>14,814,088</u>	<u>(4,472,735)</u>	<u>40,361,053</u>
Net assets (deficit)				
Unrestricted	15,829,167	(3,682,274)	-	12,146,893
Temporarily restricted	5,051,084	199,436	-	5,250,520
Permanently restricted	<u>2,009,173</u>	<u>-</u>	<u>-</u>	<u>2,009,173</u>
Total net assets	<u>22,889,424</u>	<u>(3,482,838)</u>	<u>-</u>	<u>19,406,586</u>
Total liabilities and net assets (deficit)	<u>\$ 52,909,124</u>	<u>\$ 11,331,250</u>	<u>\$ (4,472,735)</u>	<u>\$ 59,767,639</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidating Statement of Operations and Changes in Net Assets (Deficit)

Year Ended April 30, 2011

	(As Restated) Mount Desert Island Hospital	Consolidated Birch Bay Retirement Village	Elimi- nations	(As Restated) Total
Unrestricted revenues, gains and other support				
Net patient service revenue	\$ 49,496,610	\$ -	\$ -	\$ 49,496,610
Resident revenue	-	3,261,651	-	3,261,651
Other revenue	843,047	294,890	(45,000)	1,092,937
Net assets released from restrictions used for operations	<u>241,504</u>	<u>29,562</u>	<u>-</u>	<u>271,066</u>
Total revenues, gains and other support	<u>50,581,161</u>	<u>3,586,103</u>	<u>(45,000)</u>	<u>54,122,264</u>
Operating expenses				
Salaries and employee benefits	29,946,650	2,223,123	-	32,169,773
Supplies and other expenses	15,018,572	907,531	(45,000)	15,881,103
Marketing expenses	-	149,373	-	149,373
Provision for bad debts	2,961,081	4,000	-	2,965,081
Health care provider tax	879,638	-	-	879,638
Depreciation and amortization	2,013,870	415,403	-	2,429,273
Interest	<u>483,062</u>	<u>459,610</u>	<u>-</u>	<u>942,672</u>
Total operating expenses	<u>51,302,873</u>	<u>4,159,040</u>	<u>(45,000)</u>	<u>55,416,913</u>
Loss from operations	<u>(721,712)</u>	<u>(572,937)</u>	<u>-</u>	<u>(1,294,649)</u>
Other income (expense)				
Gifts and bequests	334,956	-	-	334,956
Interest income on investments, net	263,248	-	-	263,248
Realized gain on sale of investments	625,336	-	-	625,336
Other miscellaneous (expense) income	(185,982)	27,877	-	(158,105)
Loss on early extinguishment of long-term debt	<u>(47,375)</u>	<u>(560,777)</u>	<u>-</u>	<u>(608,152)</u>
Other income (expense), net	<u>990,183</u>	<u>(532,900)</u>	<u>-</u>	<u>457,283</u>
Excess (deficiency) of revenues, gains and other support over expenses	268,471	(1,105,837)	-	(837,366)

(Continued next page)

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

**Consolidating Statements of Operations
and Changes in Net Assets (Deficit) (Concluded)**

Year Ended April 30, 2011

	(As Restated) Mount Desert Island Hospital	Consolidated Birch Bay Retirement Village	Elimi- nations	Total
Excess (deficiency) of revenues, gains and other support over expenses (brought forward)	\$ 268,471	\$ (1,105,837)	\$ -	\$ (837,366)
Change in unrealized gains on investments	375,355	-	-	375,355
Net assets released from restrictions used for purchase of property and equipment	<u>186,620</u>	<u>-</u>	<u>-</u>	<u>186,620</u>
Increase (decrease) in unrestricted net assets	<u>830,446</u>	<u>(1,105,837)</u>	<u>-</u>	<u>(275,391)</u>
Temporarily restricted net assets				
Contributions	1,163,895	138,646	-	1,302,541
Change in pledges receivable, net	2,706,599	-	-	2,706,599
Net assets released from restrictions	<u>(428,124)</u>	<u>(29,562)</u>	<u>-</u>	<u>(457,686)</u>
Increase in temporarily restricted net assets	<u>3,442,370</u>	<u>109,084</u>	<u>-</u>	<u>3,551,454</u>
Permanently restricted net assets				
Contributions	17,162	-	-	17,162
Change in value of beneficial interest in perpetual trusts	<u>96,016</u>	<u>-</u>	<u>-</u>	<u>96,016</u>
Increase in permanently restricted net assets	<u>113,178</u>	<u>-</u>	<u>-</u>	<u>113,178</u>
Increase (decrease) in net assets	4,385,994	(996,753)	-	3,389,241
Net assets (deficit), beginning of year, as previously stated	20,366,142	(2,486,085)	-	17,880,057
Net asset restatement	<u>(1,862,712)</u>	<u>-</u>	<u>-</u>	<u>(1,862,712)</u>
Net assets (deficit), beginning of year, as restated	<u>18,503,430</u>	<u>(2,486,085)</u>	<u>-</u>	<u>16,017,345</u>
Net assets (deficit), end of year, as restated	\$ <u>22,889,424</u>	\$ <u>(3,482,838)</u>	\$ <u>-</u>	\$ <u>19,406,586</u>

BIRCH BAY RETIREMENT VILLAGE AND SUBSIDIARY

Consolidating Balance Sheet

April 30, 2011

ASSETS

	Birch Bay Retirement Village	Mount Desert Management Company	Elimi- nations	Total
Current assets				
Cash and cash equivalents	\$ 10,952	\$ 7,295	\$ -	\$ 18,247
Accounts receivable, net	259,988	2,400	-	262,388
Due from (to) Birch Bay Village Association	197,436	(109,452)	-	87,984
Prepaid expenses and other current assets	7,961	-	-	7,961
Trustee held funds	<u>396,350</u>	<u>-</u>	<u>-</u>	<u>396,350</u>
Total current assets	<u>872,687</u>	<u>(99,757)</u>	<u>-</u>	<u>772,930</u>
Due from affiliates	444,790	309,807	(444,790)	309,807
Property and equipment, net	8,940,489	-	-	8,940,489
Other assets				
Cottages held for sale	-	702,588	-	702,588
Deferred financing costs, net	106,745	-	-	106,745
Real estate development costs	-	243,469	-	243,469
Resident priority and construction deposits	125,222	-	-	125,222
Other assets	<u>130,000</u>	<u>-</u>	<u>-</u>	<u>130,000</u>
Total other assets	<u>361,967</u>	<u>946,057</u>	<u>-</u>	<u>1,308,024</u>
Total assets	<u>\$ 10,619,933</u>	<u>\$ 1,156,107</u>	<u>\$ (444,790)</u>	<u>\$ 11,331,250</u>

LIABILITIES AND NET ASSETS (DEFICIT)

	Birch Bay Retirement <u>Village</u>	Mount Desert Management <u>Company</u>	<u>Elimi- nations</u>	<u>Total</u>
Current liabilities				
Current portion of long-term obligations	\$ 310,000	\$ 22,590	\$ -	\$ 332,590
Accounts payable and other accrued expenses	353,278	2,288	-	355,566
Accrued payroll and amounts withheld	<u>106,822</u>	<u>-</u>	<u>-</u>	<u>106,822</u>
Total current liabilities	770,100	24,878	-	794,978
Due to affiliate	4,162,928	444,790	(444,790)	4,162,928
Resident priority and construction deposits	125,222	-	-	125,222
Long-term obligations, less current portion	<u>9,586,322</u>	<u>144,638</u>	<u>-</u>	<u>9,730,960</u>
Total liabilities	<u>14,644,572</u>	<u>614,306</u>	<u>(444,790)</u>	<u>14,814,088</u>
Net (deficit) assets				
Unrestricted net (deficit) assets	(4,224,075)	541,801	-	(3,682,274)
Temporarily restricted net assets	<u>199,436</u>	<u>-</u>	<u>-</u>	<u>199,436</u>
Total net (deficit) assets	<u>(4,024,639)</u>	<u>541,801</u>	<u>-</u>	<u>(3,482,838)</u>
Total liabilities and net (deficit) assets	<u>\$ 10,619,933</u>	<u>\$ 1,156,107</u>	<u>\$ (444,790)</u>	<u>\$ 11,331,250</u>

BIRCH BAY RETIREMENT VILLAGE AND SUBSIDIARY

Consolidating Statement of Operations and Changes in Net Assets (Deficit)

Year Ended April 30, 2011

	Birch Bay Retirement Village	Mount Desert Management Company	Elimi- nations	Total
Unrestricted revenues, gains and other support				
Resident revenue	\$ 3,261,651	\$ -	\$ -	\$ 3,261,651
Other revenue	294,890	-	-	294,890
Net assets released from restrictions used for operations	<u>29,562</u>	<u>-</u>	<u>-</u>	<u>29,562</u>
Total revenues, gains and other support	<u>3,586,103</u>	<u>-</u>	<u>-</u>	<u>3,586,103</u>
Operating expenses				
Salaries and employee benefits	2,223,123	-	-	2,223,123
Supplies and other expenses	852,625	54,906	-	907,531
Marketing expenses	101,297	48,076	-	149,373
Provision for bad debts	4,000	-	-	4,000
Depreciation and amortization	415,403	-	-	415,403
Interest	<u>451,871</u>	<u>7,739</u>	<u>-</u>	<u>459,610</u>
Total operating expenses	<u>4,048,319</u>	<u>110,721</u>	<u>-</u>	<u>4,159,040</u>
Loss from operations	(462,216)	(110,721)	-	(572,937)
Other income (expense)				
Other miscellaneous (expense) income	(7,412)	35,289	-	27,877
Loss on early extinguishment of long-term debt	<u>(560,777)</u>	<u>-</u>	<u>-</u>	<u>(560,777)</u>
Other income (expense), net	<u>(568,189)</u>	<u>35,289</u>	<u>-</u>	<u>(532,900)</u>
Decrease in unrestricted net assets	<u>(1,030,405)</u>	<u>(75,432)</u>	<u>-</u>	<u>(1,105,837)</u>
Temporarily restricted net assets				
Contributions	138,646	-	-	138,646
Net assets released from restrictions used for operations	<u>(29,562)</u>	<u>-</u>	<u>-</u>	<u>(29,562)</u>
Increase in temporarily restricted net assets	<u>109,084</u>	<u>-</u>	<u>-</u>	<u>109,084</u>
Decrease in net assets	(921,321)	(75,432)	-	(996,753)
Net (deficit) assets, beginning of year	<u>(3,103,318)</u>	<u>617,233</u>	<u>-</u>	<u>(2,486,085)</u>
Net (deficit) assets, end of year	<u>\$ (4,024,639)</u>	<u>\$ 541,801</u>	<u>\$ -</u>	<u>\$ (3,482,838)</u>