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2010

Open to Public  
Inspection

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

## A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011

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

C Name of organization  
PINNACLE HEALTH MEDICAL SERVICES

Doing Business As

Number and street (or P O box if mail is not delivered to street address)  
409 SOUTH SECOND ST PO BOX 8700

Room/suite

City or town, state or country, and ZIP + 4  
HARRISBURG, PA 171058700F Name and address of principal officer  
WILLIAM H PUGH  
409 SOUTH SECOND ST PO BOX 8700  
HARRISBURG, PA 171058700H(a) Is this a group return for affiliates?  Yes  NoH(b) Are all affiliates included?  Yes  No  
If "No," attach a list (see instructions)

H(c) Group exemption number ►

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

J Website: ► WWW PINNACLEHEALTH.ORG

K Form of organization  Corporation  Trust  Association  Other ►

L Year of formation 1993

M State of legal domicile PA

## Part I Summary

1	Briefly describe the organization's mission or most significant activities PINNACLE HEALTH MEDICAL SERVICES IS ENGAGED IN THE PROVISION OF PHYSICIAN SERVICES
2	Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets
3	Number of voting members of the governing body (Part VI, line 1a) . . . . .
4	Number of independent voting members of the governing body (Part VI, line 1b) . . . . .
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a) . . . . .
6	Total number of volunteers (estimate if necessary) . . . . .
7a	Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .
b	Net unrelated business taxable income from Form 990-T, line 34 . . . . .

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h) . . . . .	1,738	55,960
9	Program service revenue (Part VIII, line 2g) . . . . .	30,660,335	39,628,175
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	-490	-55,849
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . .	539,191	689,957
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	31,200,774	40,318,243

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12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	31,200,774	40,318,243
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) . . . . .	34,587,424	44,828,941
16a	Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ►0		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) . . . . .	11,911,510	14,492,607
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) . . . . .	46,498,934	59,321,548
19	Revenue less expenses Subtract line 18 from line 12 . . . . .	-15,298,160	-19,003,305

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16) . . . . .	13,609,649	15,683,603
21	Total liabilities (Part X, line 26) . . . . .	12,779,411	11,324,021
22	Net assets or fund balances Subtract line 21 from line 20 . . . . .	830,238	4,359,582

## 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 WILLIAM H PUGH CFO Type or print name and title	2012-05-11 Date
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Paid Preparer Use Only	Print/Type preparer's name JULIUS GREEN CPA	Preparer's signature JULIUS GREEN CPA	Date	Check if self-employed ► <input type="checkbox"/>	PTIN
	Firm's name ► PARENTEBEARD LLC				Firm's EIN ►
	Firm's address ► SUITE 200 221 W PHILADELPHIA ST YORK, PA 174012993				Phone no ► (717) 846-7000

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

**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response to any question in this Part III **1** Briefly describe the organization's mission

PINNACLE HEALTH MEDICAL SERVICES IS A TAX EXEMPT ENTITY THAT IS PRIMARILY ENGAGED IN THE PROVISION OF PHYSICIAN SERVICES

**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 \$ 25,035,339 including grants of \$ ) (Revenue \$ 18,741,924 )

PINNACLE HEALTH MEDICAL SERVICES (PHMS) IS A TAX EXEMPT ENTITY THAT IS PRIMARILY ENGAGED IN THE PROVISION OF PHYSICIAN SERVICES THE PHYSICIAN SERVICES PROVIDED WITHIN PHMS SUPPORT AND ENHANCE THE SERVICES OF PINNACLE HEALTH HOSPITALS AND THE PINNACLE HEALTH SYSTEM PHMS ALSO HAD VOLUNTEERS THAT PROVIDED VARIOUS DONATED SERVICES DURING THE YEAR ENDED JUNE 30, 2011, THERE WERE 18 VOLUNTEERS WHICH PROVIDED 610 DONATED HOURS VALUED AT \$4,423 PHMS PROVIDED FREE CARE DURING THE YEAR IN THE AMOUNT OF \$126,258 BASED ON TOTAL EXPENSES, THE THREE LARGEST PHYSICIAN SERVICES INCLUDED WITHIN PHMS ARE PINNACLE SPECIALTIES PRACTICE (300) - THE SPECIALTIES PRACTICE IS THE LARGEST SEGMENT OF PHMS, COMPRISING 48.33% OF THE TOTAL PROGRAM EXPENSES OF PHMS THE SPECIALTIES PRACTICE CURRENTLY OPERATES EIGHTEEN SPECIALTY SITES THROUGHOUT CENTRAL PENNSYLVANIA DURING THE FISCAL YEAR ENDED JUNE 30, 2011, SPECIALTY SITE VISITS TOTALLED 141,220 MANAGEMENT CONSIDERS THE INVESTMENT IN SPECIALTY SERVICES CRITICAL IN MAINTAINING AN INTEGRATED DELIVERY SYSTEM AND TO THE FUTURE SUCCESS OF PINNACLE HEALTH SYSTEM THE SPECIALTY PHYSICIAN PRACTICES INCLUDE THE FOLLOWING SURGICAL ASSOCIATES ON APRIL 1, 2010, PINNACLE HEALTH SURGICAL ASSOCIATES CAME TO FRUITION WHEN THE GENERAL SURGEONS AND STAFF OF CAPITAL AREA SURGICAL ASSOCIATES AND SUSQUEHANNA SURGEONS JOINED THE PINNACLE HEALTH NETWORK EXCELLENT SURGICAL CARE DOESN'T JUST HAPPEN IT'S THE COMBINATION OF SKILLED SURGEONS, THE LATEST TECHNOLOGY AND EQUIPMENT AND THE EXPERTISE OF THE OPERATING ROOM TEAM WORKING TOGETHER THE MORE ADVANCED, THE MORE PRECISE, THE BETTER OUTCOME FOR THE PATIENT PINNACLE HEALTH HAS A LONG HISTORY OF PROVIDING THE FINEST SURGICAL CARE IN CENTRAL PENNSYLVANIA, DATING TO THE OPENING OF OUR FIRST OPERATING ROOM IN 1900 TODAY, OUR OUTSTANDING TEAM OF GENERAL SURGEONS AT PINNACLE HEALTH SURGICAL ASSOCIATES CONTINUES THE TRADITION OF EXCELLENCE BY PERFORMING A WIDE RANGE OF OPEN AND MINIMALLY INVASIVE PROCEDURES WITH TWO CONVENIENT LOCATIONS IN WORMLEYSBURG AND HARRISBURG THE TEAM INCLUDES BOARD CERTIFIED AND FELLOWSHIP TRAINED PHYSICIANS WHO PROVIDE SUPERIOR SURGICAL SKILL AND CARE WOUND & HYPERBARIC PROGRAM THIS PROGRAM OPENED IN JANUARY 2010 IT PROVIDES EXPERT MEDICAL CARE FOR CHRONIC WOUNDS THAT HAVE FAILED PREVIOUS METHODS OF TREATMENT THE USE OF SPECIALIZED INTENSIVE WOUND THERAPIES AND, IN SPECIFIC CIRCUMSTANCES, THE APPROVED USE OF HYPERBARIC OXYGEN THERAPY ENHANCES THE HEALING PROCESS IN AN ATTEMPT TO RETURN THE PATIENT TO THE HIGHEST LEVEL OF DAILY FUNCTIONING AND HEALING ALSO, THE IMPLEMENTATION OF AN IN-PATIENT CONSULTATION PROGRAM AT BOTH HOSPITALS WILL ALLOW FOR OPTIMAL PATIENT FOLLOW-UP AND REFERRALS THE PROGRAMS ALSO PROVIDE FOR INCREASED EDUCATIONAL PROGRAMS FOR AREA PHYSICIANS, RESIDENTS AND MEDICAL STUDENTS IN THIS SPECIALTY PROVIDING PART-TIME SERVICES AT LANCASTER GENERAL HOSPITAL HAS INCREASED AWARENESS OF OUR PROGRAM AND EXPERTISE IN CENTRAL PENNSYLVANIA RHEUMATOLOGY OPENING FOR BUSINESS ON MARCH 1, 2010, PINNACLE HEALTH'S RHEUMATOLOGY OFFICE WAS FOUNDED TO DIAGNOSE AND TREAT THE SURROUNDING COMMUNITY THAT EXPERIENCED CONSTANT PAIN WITH RHEUMATIC DISEASES WHETHER FACED WITH AN INFLAMMATION OF THE JOINTS, TENDONS OR MUSCLES, OR CONSTANT PAIN, PINNACLE HEALTH'S RHEUMATOLOGY DOCTORS HELP DIAGNOSE THE CONDITION AND FIND THE COURSE OF TREATMENT SUITABLE FOR EACH INDIVIDUAL MANY TYPES OF RHEUMATIC DISEASES ARE NOT EASILY IDENTIFIED IN THE EARLY STAGES AND BECAUSE SOME ARE MORE COMPLEX THAN OTHERS, MORE THAN ONE VISIT MAY BE NECESSARY AS SUCH, OUR RHEUMATOLOGISTS WORK CLOSELY WITH PATIENTS TO DESIGN INDIVIDUALIZED TREATMENTS THAT MEET THEIR NEEDS HOSPITALISTS-COMMUNITY CAMPUS (HCC) THIS PROGRAM HAS BEEN ESTABLISHED TO PROVIDE 24/7 IN-HOSPITAL COVERAGE FOR INTERNAL MEDICINE ADMISSIONS AND FOLLOW-UP ON A DEDICATED "HOSPITALIST SERVICE" THIS SERVICE WILL DRAW PATIENTS FROM FAMILY CARE AND INTERNAL MEDICINE PROVIDERS WHO PROVIDE OUTPATIENT CARE, BUT WISH TO HAVE INPATIENT CARE PROVIDED TO THEIR PATIENTS BY THIS SERVICE PINNACLE HEALTH NEUROLOGISTS (PIN) THIS PROGRAM WAS ESTABLISHED TO MEET THE EMERGENT NEED FOR NEUROLOGISTS IN THE HARRISBURG AREA COVERAGE FOR INPATIENT PHYSICIAN COVERAGE AT PINNACLE HEALTH HOSPITALS IS ITS PRIMARY FOCUS, AS WELL AS ESTABLISHING AND GROWING OUTPATIENT SERVICES TO ADDRESS COMMUNITY NEEDS THIS PROGRAM ALSO PROVIDES SERVICES TO THE EPILEPSY MONITORING UNIT PINNACLE HEALTH NEUROSURGERY SERVICES (PHNS) THIS PROGRAM WAS ESTABLISHED IN JANUARY 2008 TO MEET THE EMERGENT NEED FOR NEUROSURGEONS IN THE HARRISBURG AREA PINNACLE HEALTH ENDOCRINOLGISTS (PHE) THIS PROGRAM WAS ESTABLISHED IN JANUARY 2005 AND PROVIDES BOTH INPATIENT AND OUTPATIENT SERVICES PINNACLE HEALTH PEDIATRIC SURGERY (PHPS) THIS PROGRAM CONSISTS OF THE EMPLOYMENT OF ONE FULL TIME PEDIATRIC SURGEON WHO WILL CONTINUE TO PRACTICE PEDIATRIC SURGERY FULL TIME FOR PINNACLE HEALTH HOSPITALS A STABLE, HIGH QUALITY PEDIATRIC SURGERY SERVICE IS AN ESSENTIAL COMPONENT OF THE WOMEN AND CHILDREN HEALTH SERVICE AT PINNACLE PINNACLE HEALTH INFECTIOUS DISEASE ASSOCIATES (PHIDA) THIS PROGRAM WAS ESTABLISHED IN JANUARY 2005 BOTH PATIENT AND OUTPATIENT SERVICES ARE PROVIDED WHICH INCLUDES THE TRAVEL CLINIC PINNACLE HEALTH CARDIOVASCULAR THORACIC SURGERY (PHCT) OUR MULTIDISCIPLINARY TEAM EMPLOYS THE MOST ADVANCED, MINIMALLY INVASIVE TECHNOLOGIES AVAILABLE TO PROVIDE A PERSONALIZED APPROACH TO THE DIAGNOSIS AND TREATMENT OF THORACIC CONDITIONS PINNACLE HEALTH COMPLEMENTARY SERVICES (PHCS) THIS PROGRAM WAS ESTABLISHED IN OCTOBER 2005 TO PROVIDE ACUPUNCTURE SERVICES BY A PENNSYLVANIA STATE REGISTERED ACUPUNCTURIST PH PALLIATIVE CARE (PHPC) THE FOCUS OF THIS NEW PROGRAM WILL BE ON THE INPATIENT CARE OF PATIENTS DURING THE FINAL MONTHS OR DAYS OF THEIR LIFE, SEEKING TO IMPROVE BOTH THE BALANCE OF CARE VIS-A-VIS COMFORT AND DIGNITY AND THE QUALITY OF PAIN RELIEF TREATMENT IN THE ROLE AS THE PAIN TEAM OF THE SYSTEM, THE PALLIATIVE CARE SPECIALIST WILL BE AVAILABLE TO ANY PATIENT WHO IS IN NEED OF SPECIALIZED ASSESSMENT AND TREATMENT OF DIFFICULT OR INTRACTABLE PAIN THIS WILL DOVETAIL NICELY WITH THE NEW PROPOSED CANCER CENTER PROGRAM END-OF-LIFE CARE HAS BEEN IDENTIFIED NATIONALLY AS A MOMENT OF TIME WHICH TAKES UP AN INORDINATE AMOUNT OF HEALTH CARE RESOURCES, WITH GREAT VARIATION GEOGRAPHICALLY AND LITTLE IN THE WAY OF DEMONSTRABLE VALUE, DYING WITH DIGNITY IS AN OPTION THAT ALL OF US SHOULD HAVE AT THE END OF LIFE TRANSPLANT SERVICES THIS PROGRAM HAS BEEN ESTABLISHED TO PROVIDE OPPORTUNITY AND GROWTH OF THE TRANSPLANT PROGRAM WITHIN THE STRUCTURE OF THE HEALTH SYSTEM AND DECREASE RELIANCE ON SELF-EMPLOYED PHYSICIANS TO PROVIDE SERVICES FOR THE PROGRAM BREAST CANCER CENTER THIS PROGRAM HAS BEEN ESTABLISHED TO PROVIDE PATIENTS WITH A CENTRALIZED LOCATION FOR THEIR BREAST CARE NEEDS, INCLUDING BREAST CANCER RISK ASSESSMENTS AND SURGERY

**4b** (Code) (Expenses \$ 15,655,672 including grants of \$ ) (Revenue \$ 14,659,586 )

FAMILY CARE SERVICES (330) - PRIMARY CARE IS THE SECOND LARGEST SEGMENT OF PHMS COMPRISING 30.22% OF THE TOTAL PROGRAM EXPENSES OF PHMS PRIMARY CARE SERVICES ARE CURRENTLY PROVIDED THROUGH FOURTEEN FAMILY CARE CENTERS LOCATED IN SURROUNDING CENTRAL PENNSYLVANIA COMMUNITIES DURING THE FISCAL YEAR ENDED JUNE 30, 2011, PRIMARY CARE PATIENT VISITS TOTALLED 158,300

**4c** (Code) (Expenses \$ 8,648,676 including grants of \$ ) (Revenue \$ 6,193,127 )

PINNACLE HEALTH CLINICS (302) - THE CLINICS COMPRIZE 16.7% OF THE TOTAL PROGRAM EXPENSES OF PHMS THERE ARE SEVEN CLINIC FACILITIES THROUGHOUT CENTRAL PENNSYLVANIA THAT PROVIDE PATIENT CARE TO THE SURROUNDING COMMUNITY DURING THE FISCAL YEAR ENDED JUNE 30, 2011, CLINICS HAD VISITS THAT TOTALLED 62,834 THE CLINICS MAINLY SERVE AN UN-INSURED, UNDER-INSURED, AND LARGE MEDICAL ASSISTANCE COMMUNITY, AS LIVING OUT ITS MISSION STATEMENT TO BE A CHARITABLE ORGANIZATION DEDICATED TO MAINTAINING AND IMPROVING THE HEALTH AND QUALITY OF LIFE THE CLINICS INCLUDE THE FOLLOWING KLINE HEALTH CENTER (KHC) THIS PROGRAM PROVIDES PRIMARY, AS WELL AS SPECIALTY CARE, TO A LARGELY URBAN POPULATION WHILE THE PRACTICE DOES SEE PRIVATE PATIENTS, MUCH OF THE POPULATION SERVED IS OF LOW INCOME AND/OR UNDERINSURED SINCE MANY OF OUR PATIENTS RELY ON PUBLIC TRANSPORTATION, KLINE IS ABLE TO MEET MANY OF THE PATIENT'S NEEDS AT ONE LOCATION RESIDENT PHYSICIANS, UNDER THE SUPERVISION OF BOARD CERTIFIED PHYSICIAN FACULTY AS WELL AS SPECIALTY PHYSICIANS, COME TO KLINE TO SEE PATIENTS FOR THEIR ORTHOPEDIC, ENDOCRINE, NEUROLOGICAL, INFECTIOUS DISEASE, AND SURGICAL NEEDS THE OFFICE IS MANAGED BY A FULL TIME RN WHO OVERSEES A STAFF OF MEDICAL ASSISTANTS AND OTHER OFFICE SUPPORT STAFF TO MEET THE NEEDS OF THE PATIENTS AND PROVIDERS CHILDREN'S AND TEEN CENTER (CTC) THIS PROGRAM PROVIDES PRIMARY ACUTE AND PREVENTATIVE CARE PLUS SOME SPECIALTY SERVICES FOR CHILDREN NEWBORN THROUGH 18 YEARS OF AGE SPECIALTY SERVICES INCLUDE NEONATAL DEVELOPMENTAL CARE, LEAD POISONING DIAGNOSIS AND FOLLOW-UP, PEDIATRIC NEUROLOGY AND CARE FOR CHILDREN INFECTED WITH HIV INTERNAL MEDICINE RESIDENTS (IMR) THIS CENTER WAS ESTABLISHED IN PHMS TO BILL FOR INPATIENT PROFESSIONAL FEES GENERATED BY THE ATTENDING INTERNAL MEDICINE RESIDENCY PROGRAM FACULTY WOMEN'S INPATIENT SERVICES (WIS) THIS PROGRAM PROVIDES COMPREHENSIVE INPATIENT OBSTETRICAL AND GYNECOLOGICAL SERVICES TO A PATIENT BASE CONSISTING LARGELY OF A MANAGED MEDICAL ASSISTANCE PATIENT BASE THIS PROGRAM WAS ESTABLISHED IN 2007 WOMEN'S OUTPATIENT HEALTH CENTER (WOHC) THIS PROGRAM PROVIDES COMPREHENSIVE OUTPATIENT OBSTETRICAL AND GYNECOLOGICAL SERVICES TO A PATIENT BASE CONSISTING LARGELY OF A MANAGED MEDICAL ASSISTANCE PATIENT BASE SURGERY CLINIC PROFESSIONALS (SCP) SURGERY CLINIC PROFESSIONALS IS USED TO ACCOUNT FOR SURGICAL PROCEDURES GENERATED FROM REFERRALS TO THE SURGERY CLINIC, WHICH IS A COMPONENT OF THE KLINE HEALTH CENTER PH RESOURCE EDUCATION AND COMPREHENSIVE CARE FOR HIV (REACCH) THIS PROGRAM WAS ESTABLISHED TO PROVIDE PRIMARY AND SPECIALTY MEDICAL CARE FOR PEOPLE (INCLUDING PREGNANT WOMEN AND THEIR EXPOSED INFANTS) WHO ARE HIV-POSITIVE AS WELL AS SUPPORT SERVICES SUPPORT SERVICES INCLUDE NUTRITIONAL COUNSELING, TRANSPORTATION TO MEDICAL APPOINTMENTS, VISION CARE, ASSISTANCE WITH MEDICATION CO-PAYMENTS, AND ASSISTANCE WITH MENTAL HEALTH COUNSELING AND PSYCHIATRIC CARE THE PROGRAM IS PARTIALLY GRANT FUNDED AND ALSO PROVIDES REIMBURSEMENT TO PINNACLE HEALTH SYSTEM FOR SERVICES RENDERED TO PATIENTS WHO ARE HIV-POSITIVE AND ARE EITHER UNINSURED OR UNDERINSURED

**4d** Other program services (Describe in Schedule O ) See also Additional Data for Description  
(Expenses \$ 2,459,418 including grants of \$ ) (Revenue \$ 33,538 )

**4e** Total program service expenses \$ 51,799,105

**Part IV Checklist of Required Schedules**

**1** Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

**2** Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?

**3** Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I

**4** **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II

**5** Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III

**6** Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I

**7** Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II

**8** Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

**9** Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV

**10** Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V

**11** If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable
 

- a** Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI
- b** Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII
- c** Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII
- d** Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX
- e** Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X
- f** Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X

**12a** Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII

**b** Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional

**13** Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

**14a** Did the organization maintain an office, employees, or agents outside of the United States?

**b** Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV

**15** Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? If "Yes," complete Schedule F, Parts II and IV

**16** Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? If "Yes," complete Schedule F, Parts III and IV

**17** Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)

**18** Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II

**19** Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III

**20a** Did the organization operate one or more hospitals? If "Yes," complete Schedule H

**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)

	Yes	No
<b>1</b>	Yes	
<b>2</b>	Yes	
<b>3</b>		No
<b>4</b>		No
<b>5</b>		
<b>6</b>		No
<b>7</b>		No
<b>8</b>		No
<b>9</b>		No
<b>10</b>		No
<b>11a</b>	Yes	
<b>11b</b>		No
<b>11c</b>		No
<b>11d</b>		No
<b>11e</b>		No
<b>11f</b>	Yes	
<b>12a</b>		No
<b>12b</b>	Yes	
<b>13</b>		No
<b>14a</b>		No
<b>14b</b>		No
<b>15</b>		No
<b>16</b>		No
<b>17</b>		No
<b>18</b>		No
<b>19</b>		No
<b>20a</b>		No
<b>20b</b>		

**Part IV Checklist of Required Schedules (continued)**

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

**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
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	<b>1a</b>	0
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	<b>1b</b>	0
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	
<b>2a</b>	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	<b>2a</b>	498
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	<b>2b</b>	Yes
<b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	No
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	<b>3b</b>	
<b>4a</b>	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)?	<b>4a</b>	No
<b>b</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		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	No
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	No
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>	
<b>6a</b>	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?	<b>6a</b>	No
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>	<b>7a</b>	No
<b>a</b>	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?	<b>7b</b>	
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7c</b>	No
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7d</b>	
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year	<b>7e</b>	No
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7f</b>	No
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7g</b>	
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7h</b>	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>8</b>	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>9a</b>	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>	<b>9b</b>	
<b>a</b>	Did the organization make any taxable distributions under section 4966?		
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter	<b>10a</b>	
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	<b>10b</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter	<b>11a</b>	
<b>a</b>	Gross income from members or shareholders	<b>11b</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12b</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>	<b>13a</b>	
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O		
<b>b</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	<b>13b</b>	
<b>c</b>	Enter the amount of reserves on hand	<b>13c</b>	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	<b>14b</b>	No
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

**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

1a Enter the number of voting members of the governing body at the end of the tax year . . . . . **1a** 9

b Enter the number of voting members included in line 1a, above, who are independent . . . . . **1b** 4

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.)

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** Yes

12a Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . . **12b** Yes

b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . . **12c** 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 . . . . . **13** Yes

13 Does the organization have a written whistleblower policy? . . . . . **14** Yes

14 Does the organization have a written document retention and destruction policy? . . . . . **15** Yes

15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?

a The organization's CEO, Executive Director, or top management official . . . . . **15a** Yes

b Other officers or key employees of the organization . . . . . **15b** Yes

If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions )

16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . . **16a** Yes

b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . . **16b** Yes

### Section C. Disclosure

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

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

Own website  Another's website  Upon request

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

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

WILLIAM H PUGH CFO  
409 SOUTH SECOND ST PO BOX 8700  
HARRISBURG, PA 171058700  
(717) 231-8245

**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	
		Or director	Individual trustee	Institutional Trustee	Officer	Key employee	Highest compensated employee			
(1) DEBORAH S MILLER CHAIRMAN	10	X			X			0	0	0
(2) ROBERT C BUCKINGHAM MD VICE CHAIRMAN	10	X			X			0	0	0
(3) TIMOTHY WESTON ESQ DIRECTOR	10	X						0	0	0
(4) NATHAN H WATERS JR ESQ DIRECTOR	10	X						0	0	0
(5) C DAVID HAVERSTICK MD DIRECTOR/PHYSICIAN	40 00	X						192,168	0	28,465
(6) MICHAEL HILDEN MD DIRECTOR/PHYSICIAN	40 00	X						311,326	0	27,782
(7) NICOLE PURCELL DO DIRECTOR/PHYSICIAN	40 00	X						220,948	0	34,738
(8) LISA TORP MD DIRECTOR/PHYSICIAN	40 00	X						303,192	0	46,502
(9) PHILIP GUARNESCHELLI ACTING PRESIDENT/CEO	2 00	X			X			0	553,520	59,656
(10) WILLIAM H PUGH TREASURER	2 40				X			0	370,836	43,834
(11) CHRISTOPHER P MARKLEY ESQ SECRETARY	2 00				X			0	319,451	48,261
(12) RICHARD C SENECA ESQ ASST SECRETARY	6 80				X			0	269,851	0
(13) ROGER OSTDAHL PHYSICIAN	40 00					X		602,373	0	87,351
(14) BARRY MOORE PHYSICIAN	40 00					X		598,328	0	87,670
(15) MARCUS KEEP PHYSICIAN	40 00					X		499,542	0	65,401
(16) JOHN ROGERS JR PHYSICIAN	40 00					X		329,136	0	45,584

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

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: 66

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

## **Section B. Independent Contractors**

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

(A)	Name and business address	(B)	Description of services	(C)	Compensation
PENNSYLVANIA PSYCHRIATIC INSTITUTE	2501 NORTH THIRD STREET	HARRISBURG, PA 17110	PSYCHIATRIC SERVICES	162,689	
ASSURANCE STAFFING INC	4660 TRINdle ROAD SUITE 100	CAMP HILL, PA 17011	TEMPORARY HELP	128,432	
KEYMED PARTNERS INC	3607 ROSEMONT AVENUE SUITE 502	CAMP HILL, PA 17011	A/R MANAGEMENT	106,634	
THE RISER GROUP	5783 CATHERINE STREET	HARRISBURG, PA 17112	MANAGEMENT CONSULTING	103,067	
OPTI-SCRIPT INC	PO BOX 105328	ATLANTA, GA 30348	TRANSCRIPTION	100,809	
<b>2</b>	Total number of independent contractors (including but not limited to those listed above) who received more than	\$100,000 in compensation from the organization	5		

**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, grants and other similar amounts	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>				
	<b>b</b> Membership dues . . . . .	<b>1b</b>				
	<b>c</b> Fundraising events . . . . .	<b>1c</b>				
	<b>d</b> Related organizations . . . . .	<b>1d</b>	55,960			
	<b>e</b> Government grants (contributions)	<b>1e</b>				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>				
	<b>g</b> Noncash contributions included in lines 1a-1f \$					
<b>h</b> <b>Total.</b> Add lines 1a-1f . . . . .		55,960				
Program Service Revenue	<b>2a</b> PATIENT REVENUE, NET		Business Code			
			621110	38,954,136	38,954,136	
	<b>b</b> PHYSICIAN MEDICAL PPI		621110	381,000	381,000	
	<b>c</b> PHYSICIAN SERVICES/COV		621110	222,349	222,349	
	<b>d</b> PHPA THERAPISTS		621110	36,329	36,329	
	<b>e</b> PARTNERSHIP PASSTHROUG		621400	34,361	34,361	
	<b>f</b> All other program service revenue					
<b>g</b> <b>Total.</b> Add lines 2a-2f . . . . .			39,628,175			
<b>3</b> Investment income (including dividends, interest and other similar amounts) . . . . .				95	95	
<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .						
<b>5</b> Royalties . . . . .						
<b>6a</b> Gross Rents	(I) Real	(II) Personal				
<b>b</b> Less rental expenses	100,847					
<b>c</b> Rental income or (loss)	28,366					
<b>d</b> Net rental income or (loss)	72,481		72,481		72,481	
<b>7a</b> Gross amount from sales of assets other than inventory	(I) Securities	(II) Other				
<b>b</b> Less cost or other basis and sales expenses		2,500				
<b>c</b> Gain or (loss)		58,444				
<b>d</b> Net gain or (loss)		-55,944	-55,944		-55,944	
<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .						
<b>b</b> Less direct expenses . . . . .	<b>b</b>					
<b>c</b> Net income or (loss) from fundraising events . . . . .						
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .	<b>a</b>					
<b>b</b> Less direct expenses . . . . .	<b>b</b>					
<b>c</b> Net income or (loss) from gaming activities . . . . .						
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>					
<b>b</b> Less cost of goods sold . . . . .	<b>b</b>					
<b>c</b> Net income or (loss) from sales of inventory . . . . .						
Miscellaneous Revenue		Business Code				
<b>11a</b> EMPLOYEE COUNSELING SV		900099	183,464		183,464	
<b>b</b> HMO BONUS		900099	134,791		134,791	
<b>c</b> REPORTING INCENTIVES		900099	121,865		121,865	
<b>d</b> All other revenue . . . . .			177,356		177,356	
<b>e</b> <b>Total.</b> Add lines 11a-11d . . . . .			617,476			
<b>12</b> <b>Total revenue.</b> See Instructions . . . . .			40,318,243	39,628,175	0	634,108

**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 . . . . .	1,171,073	1,053,966	117,107	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	67,511	60,760	6,751	
7 Other salaries and wages	35,588,070	32,029,263	3,558,807	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	2,285,983	2,057,385	228,598	
9 Other employee benefits . . . . .	3,613,646	3,252,282	361,364	
10 Payroll taxes . . . . .	2,102,658	1,892,392	210,266	
a Fees for services (non-employees) Management . . . . .	2,269,232	226,923	2,042,309	
b Legal . . . . .				
c Accounting . . . . .	5,100		5,100	
d Lobbying . . . . .				
e Professional fundraising services See Part IV, line 17 . . . . .				
f Investment management fees . . . . .	64,104		64,104	
g Other . . . . .	1,769,831	1,535,014	234,817	
12 Advertising and promotion . . . . .	156,463	125,170	31,293	
13 Office expenses . . . . .	3,013,120	2,843,827	169,293	
14 Information technology . . . . .	61,892	53,618	8,274	
15 Royalties . . . . .				
16 Occupancy . . . . .	2,895,579	2,544,318	351,261	
17 Travel . . . . .	29,637	26,673	2,964	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19 Conferences, conventions, and meetings . . . . .	278,993	275,275	3,718	
20 Interest . . . . .	309,049	278,144	30,905	
21 Payments to affiliates . . . . .				
22 Depreciation, depletion, and amortization . . . . .	878,552	790,697	87,855	
23 Insurance . . . . .	1,366,996	1,366,996		
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
a BAD DEBTS EXPENSE	1,326,408	1,326,408		
b DUES AND SUBSCRIPTIONS	59,854	59,854		
c MISCELLANEOUS EXPENSE	7,642		7,642	
d SAFETY COMPLIANCE	155	140	15	
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	59,321,548	51,799,105	7,522,443	0
26 Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		<b>(A)</b> Beginning of year	<b>(B)</b> End of year
Assets	1 Cash—non-interest-bearing . . . . .	3,049	<b>1</b> 3,602
	2 Savings and temporary cash investments . . . . .	2,983,116	<b>2</b> 277,950
	3 Pledges and grants receivable, net . . . . .	3	
	4 Accounts receivable, net . . . . .	2,623,589	<b>4</b> 3,141,834
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		
	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 . . . . .		
	7 Notes and loans receivable, net . . . . .		
	8 Inventories for sale or use . . . . .	166,407	<b>8</b> 223,796
	9 Prepaid expenses and deferred charges . . . . .	348,168	<b>9</b> 462,789
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 13,271,777	
	b Less accumulated depreciation . . . . .	10b 5,365,680	10c 7,370,558 7,906,097
	11 Investments—publicly traded securities . . . . .		
	12 Investments—other securities See Part IV, line 11 . . . . .		
	13 Investments—program-related See Part IV, line 11 . . . . .	16,068	<b>13</b> 13,075
	14 Intangible assets . . . . .	98,694	<b>14</b> 3,235,871
	15 Other assets See Part IV, line 11 . . . . .	0	<b>15</b> 418,589
	<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	13,609,649	<b>16</b> 15,683,603
Liabilities	17 Accounts payable and accrued expenses . . . . .	4,602,914	<b>17</b> 5,962,006
	18 Grants payable . . . . .		
	19 Deferred revenue . . . . .	2,631	<b>19</b>
	20 Tax-exempt bond liabilities . . . . .		
	21 Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .		
	23 Secured mortgages and notes payable to unrelated third parties . . . . .	5,554,601	<b>23</b> 5,362,015
	24 Unsecured notes and loans payable to unrelated third parties . . . . .		
	25 Other liabilities Complete Part X of Schedule D . . . . .	2,619,265	<b>25</b> 0
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	12,779,411	<b>26</b> 11,324,021
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
	27 Unrestricted net assets . . . . .	830,238	<b>27</b> 4,359,582
	28 Temporarily restricted net assets . . . . .		
	29 Permanently restricted net assets . . . . .		
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>		
	30 Capital stock or trust principal, or current funds . . . . .		
	31 Paid-in or capital surplus, or land, building or equipment fund . . . . .		
	32 Retained earnings, endowment, accumulated income, or other funds . . . . .		
	33 Total net assets or fund balances . . . . .	830,238	<b>33</b> 4,359,582
	<b>34 Total liabilities and net assets/fund balances . . . . .</b>	13,609,649	<b>34</b> 15,683,603

**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	40,318,243
2	Total expenses (must equal Part IX, column (A), line 25)	2	59,321,548
3	Revenue less expenses Subtract line 2 from line 1	3	-19,003,305
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	830,238
5	Other changes in net assets or fund balances (explain in Schedule O)	5	22,532,649
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	4,359,582

**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? <input type="checkbox"/>	2a	No
2b Were the organization's financial statements audited by an independent accountant? <input type="checkbox"/>	2b	Yes
2c 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 <input type="checkbox"/>	2c	Yes
2d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? <input type="checkbox"/>	3a	Yes
3b 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 <input type="checkbox"/>	3b	Yes

**SCHEDULE A**  
(Form 990 or 990EZ)**Public Charity Status and Public Support****2010****Open to Public  
Inspection**Department of the Treasury  
Internal Revenue Service

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.

Name of the organization  
PINNACLE HEALTH MEDICAL SERVICES

Employer identification number

25-1709054

**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 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			
<b>Total</b>							

**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 <b>Total.</b> 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 <b>Public Support.</b> 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 <b>Total support</b> (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 <b>First Five Years</b> 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 <b>stop here</b> ►						

**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 <b>33 1/3% support test—2010.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ►		
b <b>33 1/3% support test—2009.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization ►		
17a <b>10%-facts-and-circumstances test—2010.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization ►		
b <b>10%-facts-and-circumstances test—2009.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization ►		
18 <b>Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ►		

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (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
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
<b>13 Total support</b> (Add lines 9, 10c, 11 and 12 )						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ►**Section C. Computation of Public Support Percentage**

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

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18
19a <b>33 1/3% support tests—2010.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization ►	
b <b>33 1/3% support tests—2009.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization ►	
20 <b>Private Foundation</b> 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).

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2010

Open to Public  
Inspection**SCHEDULE D**  
(Form 990)Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**

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

**Name of the organization**

PINNACLE HEALTH MEDICAL SERVICES

**Employer identification number**

25-1709054

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

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

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

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

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

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

Preservation of land for public use (e.g., recreation or pleasure)  Preservation of an historically importantly land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

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

4 Number of states where property subject to conservation easement is located ► \_\_\_\_\_

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

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ \_\_\_\_\_

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

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

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

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

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

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

a Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

b Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

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

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

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

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

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

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

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

	Amount
1c	
1d	
1e	
1f	

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

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

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

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

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

a Board designated or quasi-endowment ►

b Permanent endowment ►

c Term endowment ►

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

(i) unrelated organizations . . . . .  Yes  No

(ii) related organizations . . . . .  Yes  No

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

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

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

	Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .					
b Buildings . . . . .					
c Leasehold improvements . . . . .		1,959,130	1,075,915	883,215	
d Equipment . . . . .		3,881,622	2,362,630	1,518,992	
e Other . . . . .		7,431,025	1,927,135	5,503,890	
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				7,906,097	

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

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

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

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

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

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

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

(a) Description of Liability	(b) Amount	
Federal Income Taxes		
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 25.) ►		

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	40,318,243
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	59,321,548
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-19,003,305
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	22,532,649
9	Total adjustments (net) Add lines 4 - 8	9	22,532,649
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	3,529,344

**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	41,098,535
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	807,765
e	Add lines 2a through 2d	2e	807,765
3	Subtract line 2e from line 1	3	40,290,770
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	27,473
c	Add lines 4a and 4b	4c	27,473
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 )	5	40,318,243

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

1	Total expenses and losses per audited financial statements	1	59,285,810
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	28,366
e	Add lines 2a through 2d	2e	28,366
3	Subtract line 2e from line 1	3	59,257,444
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	64,104
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	64,104
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 )	5	59,321,548

**Part XIV Supplemental Information**

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

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE PINNACLE HEALTH SYSTEM EVALUATES UNCERTAIN TAX POSITIONS USING A TWO-STEP APPROACH FOR RECOGNIZING AND MEASURING TAX BENEFITS TAKEN OR EXPECTED TO BE TAKEN IN AN UNRELATED BUSINESS ACTIVITY TAX RETURN AND DISCLOSURES REGARDING UNCERTAINTIES IN TAX POSITIONS NO ADJUSTMENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS WERE REQUIRED AS A RESULT OF THIS EVALUATION
PART XI, LINE 8 - OTHER ADJUSTMENTS		FUND BALANCE TRANSFER - PINNACLE HEALTH SYSTEM - 15,305,138 FUND BALANCE TRANSFER - PINNACLE HEALTH HOSPITALS 37,846,128 FUND BALANCE TRANSFER - COMMUNITY LIFE TEAM -1,593 FUND BALANCE TRANSFER - PINNACLE HEALTH HOME CARE & HOSPICE -6,748
PART XII, LINE 2D - OTHER ADJUSTMENTS		NET ASSETS RELEASED FROM RESTRICTIONS 871,869 INVESTMENT EXPENSES -64,104
PART XII, LINE 4B - OTHER ADJUSTMENTS		RENTAL EXPENSES RECORDED NET OF REVENUE ON 990 - 28,366 CONTRIBUTION FROM PINNACLE HEALTH FOUNDATION 55,839
PART XIII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES RECORDED NET OF REVENUE ON 990 28,366

**Schedule J**  
(Form 990)**Compensation Information**

OMB No 1545-0047

**2010**Department of the Treasury  
Internal Revenue Service

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.**

**Open to Public Inspection****Name of the organization**

PINNACLE HEALTH MEDICAL SERVICES

**Employer identification number**

25-1709054

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input checked="" type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

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

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

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

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

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

**a** Receive a severance payment or change-of-control payment from the organization or a related organization?

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?

**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

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

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

**a** The organization?

**b** Any related organization?

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

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

**a** The organization?

**b** Any related organization?

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

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

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

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

	Yes	No
<b>1b</b>	Yes	
<b>2</b>	Yes	
<b>4a</b>	Yes	
<b>4b</b>	Yes	
<b>4c</b>		No
<b>5a</b>	Yes	
<b>5b</b>	Yes	
<b>6a</b>	Yes	
<b>6b</b>	Yes	
<b>7</b>	Yes	
<b>8</b>		No
<b>9</b>		

**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) C DAVID HAVERSTICK MD	(i) 149,816 (ii) 0	36,157 0	6,195 0	9,580 0	18,885 0	220,633 0	0 0
(2) MICHAEL HILDEN MD	(i) 248,931 (ii) 0	25,000 0	37,395 0	14,325 0	13,457 0	339,108 0	0 0
(3) NICOLE PURCELL DO	(i) 220,894 (ii) 0	0 0	54 0	14,026 0	20,712 0	255,686 0	0 0
(4) LISA TORP MD	(i) 297,891 (ii) 0	0 0	5,301 0	12,850 0	33,652 0	349,694 0	0 0
(5) PHILIP GUARNESCHELLI	(i) 0 (ii) 361,067	0 137,406	0 55,047	0 13,813	0 45,843	0 613,176	0 0
(6) WILLIAM H PUGH	(i) 0 (ii) 308,294	0 37,289	0 25,253	0 13,675	0 30,159	0 414,670	0 0
(7) CHRISTOPHER P MARKLEY ESQ	(i) 0 (ii) 272,739	0 24,755	0 21,957	0 14,162	0 34,099	0 367,712	0 0
(8) RICHARD C SENECA ESQ	(i) 0 (ii) 269,851	0 0	0 0	0 0	0 0	0 269,851	0 0
(9) ROGER OSTDAHL	(i) 597,566 (ii) 0	0 0	4,807 0	10,600 0	76,751 0	689,724 0	0 0
(10) BARRY MOORE	(i) 597,566 (ii) 0	0 0	762 0	10,600 0	77,070 0	685,998 0	0 0
(11) MARCUS KEEP	(i) 499,404 (ii) 0	0 0	138 0	2,962 0	62,439 0	564,943 0	0 0
(12) JOHN ROGERS JR	(i) 307,143 (ii) 0	0 0	21,993 0	14,065 0	31,519 0	374,720 0	0 0
(13) JOSEPH ESPOSITO	(i) 249,713 (ii) 0	62,019 0	483 0	0 0	28,000 0	340,215 0	0 0
(14) ROGER LONGENDERFER MD	(i) 0 (ii) 588,568	0 0	0 2,959,028	0 12,340	0 32,735	0 3,592,671	0 1,058,719
(15)							
(16)							

**Part III Supplemental Information**

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	ROGER LONGENDERFER, M D , A FORMER PRESIDENT AND CEO, RECEIVED A REIMBURSEMENT FOR PERSONAL FINANCIAL SERVICES THE REIMBURSEMENT WAS INCLUDED IN HIS TAXABLE COMPENSATION
	PART I, LINES 4A-B	4A) ROGER LONGENDERFER, M D , A FORMER PRESIDENT AND CEO, WAS PAID SEVERANCE IN THE FORM OF SALARY AND BENEFITS TOTALING \$903,338 IN 2010 AS PART OF HIS RETIREMENT PACKAGE 4B) ROGER LONGENDERFER, M D , A FORMER PRESIDENT AND CEO, WAS COVERED BY A 457(F) SUPPLEMENTAL RETIREMENT AGREEMENT (SERP) WHICH WAS PAID OUT TO HIM IN 2010 TOTALING \$2,689,333
SUPPLEMENTAL INFORMATION	PART III	PART I, LINES 5-7 THE PINNACLE HEALTH SYSTEM MANAGEMENT INCENTIVE PLAN WAS CREATED FOR THE PURPOSE OF FURTHERING THE CHARITABLE MISSION OF PINNACLE HEALTH SYSTEM BY PROMOTING EFFECTIVE MANAGEMENT OF OPERATIONS, QUALITY OF CARE AND SERVICE AND WISE USE OF RESOURCES IN MEETING COMMUNITY NEEDS THE PLAN IS ADMINISTERED BY THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS WHICH HAS THE SOLE DISCRETIONARY AUTHORITY FOR GOVERNING THE PLAN, INTERPRETING ITS PROVISIONS, DECIDING WHO WILL PARTICIPATE, DEFINING THE INCENTIVE OPPORTUNITY AND ESTABLISHING PERFORMANCE MEASURES AND GOALS DURING FISCAL YEAR 2011, CERTAIN OFFICERS AND OTHER EXECUTIVE MANAGEMENT OF PINNACLE HEALTH SYSTEM PARTICIPATED IN THE PLAN, AND THE PERFORMANCE MEASURES AND GOALS FOR FISCAL YEAR 2011 HAD A WEIGHTING OF 30 PER CENT FOR INDIVIDUAL PERSONAL PERFORMANCE EVALUATION MEASURES AND 70 PER CENT SYSTEM-WIDE STRATEGIC GOALS AND MEASURES THE SYSTEM-WIDE STRATEGIC GOALS AND MEASURES ARE FURTHER BROKEN DOWN INTO 6 CATEGORIES WHICH APPLY TO ALL EXECUTIVE MANAGEMENT WITHIN PINNACLE HEALTH SYSTEM THE 6 CATEGORIES ARE FURTHER BROKEN INTO ADDITIONAL MEASURES THAT SUPPORT THE BROADER CATEGORY FINALLY, EACH SEPARATE MEASURE WITHIN A CATEGORY INCLUDES PERFORMANCE LEVEL GOALS OF THRESHOLD OR BUDGET, TARGET AND OPTIMUM LEVELS FOR THE FISCAL YEAR 2011 PLAN YEAR, THE PLAN CONTAINED A SYSTEM GROWTH GOAL WITH A WEIGHTING OF 6 PER CENT IF TOTAL OPERATING REVENUE EXCEEDED THE BUDGETED TOTAL OPERATING REVENUE HOWEVER, THE PLAN AWARD WAS NOT CONTINGENT ON THIS REVENUE GOAL THE REVENUE GOAL WAS ONE COMPONENT OF THE ENTIRE PLAN PERFORMANCE MEASURES FOR THE FISCAL YEAR 2011 PLAN YEAR, THE PLAN CONTAINED A SYSTEM FINANCE GOAL WITH A WEIGHTING OF 5 PER CENT IF THE OPERATING MARGIN OF THE ENTIRE SYSTEM EXCEEDED THE BUDGETED OPERATING MARGIN HOWEVER, THE PLAN AWARD WAS NOT CONTINGENT ON THIS OPERATING MARGIN GOAL THE OPERATING MARGIN GOAL WAS ONE COMPONENT OF THE ENTIRE PLAN PERFORMANCE MEASURES

## Schedule L

## **Transactions with Interested Persons**

OMB No 1545-0047

2010

Department of the Treasury  
Internal Revenue Service

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

Open to Public  
Inspection

**Name of the organization**

## PINNACLE HEALTH MEDICAL SERVICES

**Employer identification number**

25-170905

**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.

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

**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.

### **Part III Grants or Assistance Benefitting Interested Persons.**

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

**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) BEVERLY UNIACKE	WIFE OF BRIAN UNIACKE, FORMER DIRECTOR	63,911	SEE PART V - WAGES PROVIDED FOR NORMAL WORK ACTIVITIES PAID BY PINNACLE HEALTH MEDICAL SERVICES		No
(2) JUDY HAVERSTICK	WIFE OF CHARLES HAVERSTICK, DIRECTOR	20,655	SEE PART V - WAGES PROVIDED FOR NORMAL WORK ACTIVITIES PAID BY PINNACLE HEALTH HOSPITAL, A RELATED TAX EXEMPT ORGANIZATION		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

**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.

**2010****Open to Public  
Inspection****Name of the organization**

PINNACLE HEALTH MEDICAL SERVICES

**Employer identification number**

25-1709054

Identifier	Return Reference	Explanation
NEW PROGRAM SERVICES	FORM 990, PART III, LINE 2	WOMEN'S CANCER CENTER - ON FEBRUARY 1, 2011, THE ONCOLOGY PHYSICIANS OF THE WOMEN'S CANCER CENTER OF CENTRAL PA, JOINED THE PINNACLE HEALTH SYSTEM THE PRACTICE SPECIALIZES IN THE PREVENTIVE, DIAGNOSTIC, SURGICAL, MEDICAL AND CHEMOTHERAPY NEEDS OF WOMEN WITH GYNECOLOGICAL CANCERS AND OTHER COMPLICATED CONDITIONS OF THE FEMALE REPRODUCTIVE TRACT PINNACLE HEALTH-FOXCHASE CANCER CENTER - PINNACLE HEALTH OPENED A REGIONAL CANCER CENTER IN APRIL 2011 IN ORDER TO ADDRESS THE GROWING NEEDS OF PATIENTS IN OUR SERVICE AREA WITH CANCER RELATED NEEDS. THE CANCER CENTER INCLUDES ONLY THE THIRD CYBERKNIFE ROBOTIC RADIOSURGERY SYSTEM IN THE ENTIRE STATE OF PENNSYLVANIA. THE CYBERKNIFE SYSTEM ALLOWS FOR THE DELIVERY OF RADIATION TO THE PATIENT THROUGH A NON-INVASIVE PROCEDURE ANYWHERE IN THE BODY

Identifier	Return Reference	Explanation
	FORM 990, PART V, LINE 1	PINNACLE HEALTH SYSTEM, THE PARENT ENTITY OF A GROUP OF TAX-EXEMPT ORGANIZATIONS, IS THE COMMON REPORTING AGENT FOR THE GROUP AND FILES ALL 1099 FORMS FOR PINNACLE HEALTH MEDICAL SERVICES

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE AUTHORITY AND RESPONSIBILITY FOR REVIEW OF THE FORM 990 FOR PINNACLE HEALTH SYSTEM AND SUBSIDIARIES IS DELEGATED TO THE FINANCE AND AUDIT COMMITTEE OF THE PINNACLE HEALTH SYSTEM BOARD. IN ORDER TO ACCOMPLISH THIS, ALL MEMBERS OF THE FINANCE AND AUDIT COMMITTEE ARE PROVIDED WITH A REASONABLE OPPORTUNITY TO REVIEW AND COMMENT TO EXECUTIVE LEADERSHIP ON THE IRS FORMS 990 OF THE PINNACLE HEALTH SYSTEM AND ITS SUBSIDIARIES, INCLUDING PINNACLE HEALTH HOSPITALS, PINNACLE HEALTH MEDICAL SERVICES, PINNACLE HEALTH FOUNDATION, PINNACLE HEALTH HOME CARE & HOSPICE AND COMMUNITY LIFE TEAM BEFORE THEY ARE FILED WITH THE INTERNAL REVENUE SERVICE. IN ADDITION, EACH MEMBER OF EACH RESPECTIVE BOARD OF DIRECTORS WILL BE GIVEN ACCESS TO VIEW THEIR INDIVIDUAL FORM 990 VIA A SHARED, PASSWORD-PROTECTED WEBSITE.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	<p>IN THE PERFORMANCE OF THEIR DUTIES TO PINNACLE HEALTH SYSTEM AND SUBSIDIARIES (COLLECTIVELY REFERRED TO AS "PHS"), COVERED PERSONS SHALL SEEK TO ACT IN THE BEST INTERESTS OF PHS, AND SHALL EXERCISE GOOD FAITH, LOYALTY, DILIGENCE AND HONESTY A COVERED PERSON IS ANY INDIVIDUAL WHO SERVES IN A FIDUCIARY CAPACITY TO, OR WHO HAS LEGAL AUTHORITY TO REPRESENT OR OBLIGATE, THE PINNACLE HEALTH SYSTEM OR ANY OF ITS AFFILIATED ORGANIZATIONS INCLUDING, BUT NOT LIMITED TO, DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS COVERED PERSONS ALSO INCLUDE A) IMMEDIATE FAMILIES (SPOUSES, CHILDREN, SIBLINGS, PARENTS, OR SPOUSE'S PARENTS), B) ANY ORGANIZATION IN WHICH THEY OR THEIR IMMEDIATE FAMILIES DIRECTLY OR INDIRECTLY I) HAVE A MATERIAL FINANCIAL OR BENEFICIAL INTEREST, OR II) SERVE AS A DIRECTOR, OFFICER, EMPLOYEE, AGENT, ATTORNEY OR SIMILAR CAPACITY A COVERED PERSON SHALL DISCLOSE ANY BUSINESS OR PERSONAL INTERESTS OR RELATIONSHIPS WHICH MAY BE IN CONFLICT WITH THE INTEREST OF PHS, INCLUDING, BUT NOT LIMITED TO (A) ENGAGING IN OR SEEKING TO BE ENGAGED IN (I) THE DELIVERY OF HEALTH CARE SERVICES OR (II) THE DELIVERY OF GOODS OR SERVICES TO PHS, OR (B) ANY TRANSACTION OR ARRANGEMENT WITH PHS WHICH WOULD RESULT IN BENEFIT TO COVERED PERSONS THE GOVERNANCE COMMITTEE OF THE PHS BOARD REVIEWS ALL CONFLICT OF INTEREST STATEMENTS AND DETERMINES WHETHER EACH DIRECTOR ON THE BOARD IS INDEPENDENT COVERED PERSONS WHO ARE DIRECTORS MUST COMPLY WITH THE PINNACLE HEALTH SYSTEM GUIDELINES FOR DETERMINING DIRECTOR INDEPENDENCE AND APPLYING DIRECTOR INDEPENDENCE REQUIREMENTS COVERED PERSONS WITH A CONFLICT OF INTEREST SHALL NOT VOTE ON THE MATTER, AND THE PHS BOARD OR COMMITTEE MUST APPROVE, AUTHORIZE, OR RATIFY THE TRANSACTION OR ARRANGEMENT BY A MAJORITY VOTE OF THE NON-INTERESTED DIRECTORS OR COMMITTEE MEMBERS PRESENT AT A MEETING THAT HAS A QUORUM VIOLATIONS OF THIS STATEMENT OF POLICY MAY SUBJECT COVERED PERSONS TO APPROPRIATE SANCTIONS, INCLUDING REMOVAL FROM THEIR POSITIONS WITH PHS</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	<p>THE COMPENSATION COMMITTEE OF THE PINNACLE HEALTH SYSTEM ("PHS") BOARD OF DIRECTORS HAS THE AUTHORITY TO DEVELOP AND MAINTAIN EXECUTIVE AND PHYSICIAN COMPENSATION TO BE APPROVED BY THE PINNACLE HEALTH SYSTEM BOARD. THE COMPENSATION COMMITTEE WILL FOLLOW A DILIGENT PROCESS THAT MEETS REGULATORY REQUIREMENTS FOR A REBUTTABLE PRESUMPTION OF REASONABLENESS AND PROMOTES EFFECTIVE GOVERNANCE OF EXECUTIVE COMPENSATION, CONSISTENT WITH THE PHS'S COMPENSATION PHILOSOPHY.</p> <ol style="list-style-type: none"> <li>1 FOLLOW A PROCESS THAT ESTABLISHES AND MAINTAINS A REBUTTABLE PRESUMPTION OF REASONABLENESS FOR ALL EXECUTIVES AND PHYSICIANS POTENTIALLY SUBJECT TO INTERMEDIATE SANCTIONS.</li> <li>2 PREPARE MINUTES FOR EACH MEETING TO RECORD THE TERMS OF THE COMMITTEE'S DECISIONS AND THE PROCESS FOLLOWED IN REACHING THOSE DECISIONS. THESE MINUTES MUST INCLUDE INDICATIONS THAT THE COMMITTEE IS FOLLOWING GOOD PRACTICES IN DEALING WITH CONFLICTS OF INTEREST AND IN OBTAINING AND RELYING ON APPROPRIATE COMPARABILITY DATA ON TOTAL COMPENSATION.</li> <li>3 SELECT AND DIRECTLY ENGAGE AND SUPERVISE ANY CONSULTANT HIRED BY PHS TO ADVISE THE COMMITTEE ON EXECUTIVE AND PHYSICIAN COMPENSATION.</li> <li>4 PERIODICALLY EVALUATE THE APPROPRIATENESS OF THIS CHARTER AND THE EFFECTIVENESS OF THE PROCESS THE COMMITTEE USES IN GOVERNING EXECUTIVE AND PHYSICIAN COMPENSATION AND REPORT THIS EVALUATION TO THE BOARD.</li> <li>5 PROVIDE THE BOARD WITH AN ANNUAL REPORT ON THE COMMITTEE'S ACTIONS.</li> <li>6 MONITOR CHANGES IN LAWS AND REGULATIONS PERTAINING TO EXECUTIVE COMPENSATION AND BENEFITS TO SEE THAT PHS COMPLIES WITH THEM.</li> <li>7 SEEK OUTSIDE REVIEW OF COMMITTEE OPERATIONS TO ENSURE COMPLIANCE WITH THE IRS REBUTTABLE PRESUMPTION OF REASONABLENESS.</li> <li>8 REVIEW ACTUAL EXECUTIVE COMPENSATION AND BENEFITS PROVIDED TO CONFIRM CONSISTENCY WITH COMPENSATION AND BENEFITS APPROVED BY THE COMMITTEE.</li> </ol>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION DOES NOT MAKE ITS GOVERNING DOCUMENTS OR CONFLICT OF INTEREST POLICY AVAILABLE FOR PUBLIC INSPECTION AS THIS IS NOT REQUIRED BY FEDERAL OR STATE LAW. THE ORGANIZATION INCLUDES A COPY OF ITS FINANCIAL STATEMENTS WITH THE STATE REGISTRATION FILED WITH THE PENNSYLVANIA DEPARTMENT OF STATE, BUREAU OF CHARITABLE ORGANIZATIONS. THESE DOCUMENTS ARE A MATTER OF PUBLIC RECORD AND CAN BE VIEWED AT THE BUREAU OFFICE.

Identifier	Return Reference	Explanation
	FORM 990, PART VII, SECTION A	THE FOLLOWING OFFICERS AND DIRECTORS HAVE WORKED AN AVERAGE OF 40 HOURS PER WEEK BETWEEN PINNACLE HEALTH MEDICAL SERVICES AND ALL RELATED ORGANIZATIONS OF PINNACLE HEALTH SYSTEM, THE PARENT COMPANY PHILIP GUARNESCHELLI DANA KELLIS, MD BRIAN UNIACKE, MD WILLIAM H PUGH CHRISTOPHER P MARKLEY, ESQ RICHARD D SENECA, ESQ THE FOLLOWING DIRECTORS ARE ALSO DIRECTORS OF PINNACLE HEALTH HOME CARE & HOSPICE, A RELATED ORGANIZATION DEBORAH S MILLER ROBERT C BUCKINGHAM, MD TIMOTHY WESTON, ESQ NATHAN H WATERS, JR , ESQ DIRECTOR DEBORAH S MILLER IS ALSO A DIRECTOR OF PINNACLE HEALTH SYSTEM AND PINNACLE HEALTH HOSPITALS, BOTH OF WHICH ARE RELATED ORGANIZATIONS

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	FUND BALANCE TRANSFER - PINNACLE HEALTH SYSTEM -15,305,138 FUND BALANCE TRANSFER - PINNACLE HEALTH HOSPITALS 37,846,128 FUND BALANCE TRANSFER - COMMUNITY LIFE TEAM -1,593 FUND BALANCE TRANSFER - PINNACLE HEALTH HOME CARE & HOSPICE -6,748 TOTAL TO FORM 990, PART XI, LINE 5 22,532,649

Identifier	Return Reference	Explanation
	FORM 990, PART XI, LINE 2C	PINNACLE HEALTH MEDICAL SERVICES WAS INCLUDED IN THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA FOR PINNACLE HEALTH SYSTEM AND ITS SUBSIDIARIES THE FINANCE AND AUDIT COMMITTEE OF THE PINNACLE HEALTH SYSTEM BOARD ASSUMES THE RESPONSIBILITY FOR THE OVERSIGHT OF THE AUDIT AND THE SELECTION OF THE INDEPENDENT ACCOUNTANT THIS PROCESS HAS NOT CHANGED DURING THE TAX YEAR

## Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 25-1709054  
**Name:** PINNACLE HEALTH MEDICAL SERVICES

### Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

#### 4d. Other program services

(Code	(Expenses \$	2,459,418 including grants of \$	) (Revenue \$	33,538 )
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PHMS ADMINISTRATION BUSINESS UNIT ENCOMPASSES THE BILLING OFFICE, CODING AND COMPLIANCE, CREDENTIALING, AND ADMINISTRATION COST CENTERS WEST SHORE SURGERY CENTER (WSSC) - THE WEST SHORE SURGERY CENTER IS A LIMITED PARTNERSHIP IN WHICH PINNACLE HEALTH MEDICAL SERVICES IS THE GENERAL PARTNER WITH A 2% CONTROLLING INTEREST AND PINNACLE HEALTH HOSPITALS IS A LIMITED PARTNER WITH A 49% INTEREST THE REMAINING 49% INTEREST IS HELD BY VARIOUS PHYSICIANS FROM THE AREA

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## SCHEDULE R (Form 990)

## Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2010

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

**Name of the organization**  
PINNACLE HEALTH MEDICAL SERVICE

**Employer identification number**

25-170905

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

**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) PINNACLE HEALTH SYSTEM 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 171058700 25-1778658	MANAGEMENT AND CONSULTATIVE SERVICES FOR RELATED EXEMPT ORGS	PA	501(C)(3)	LINE 11C, III-FI	N/A		No
(2) PINNACLE HEALTH HOME CARE & HOSPICE 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 171058700 23-2024121	SKILLED HOMECARE SERVICES AND SERVICES TO THE TERMINALLY ILL	PA	501(C)(3)	LINE 3	PINNACLE HEALTH HOSPITALS		No
(3) PINNACLE HEALTH FOUNDATION 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 171058700 22-2691718	INVESTMENT AND FUNDRAISING ACTIVITIES FOR RELATED TAX-EXEMPT ORGANIZATIONS	PA	501(C)(3)	LINE 11B, II	PINNACLE HEALTH SYSTEM		No
(4) COMMUNITY LIFE TEAM 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 171058700 23-1890444	MEDICAL TRANSPORT SERVICES	PA	501(C)(3)	LINE 9	PINNACLE HEALTH SYSTEM		No
(5) PINNACLE HEALTH HOSPITALS 409 SOUTH SECOND STREET PO BOX 8700 HARRISBURG, PA 171058700 25-1778644	INPATIENT AND OUTPATIENT HEALTHCARE SERVICES	PA	501(C)(3)	LINE 3	PINNACLE HEALTH SYSTEM		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.)

**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) UNITED CENTRAL PA RISK RETENTION GROUP 76 ST PAUL STREET SUITE 500 BURLINGTON, VT054014477 13-4224033	CAPTIVE INSURANCE	VT	N/A	C			
(2) UNITED HEALTH RISK LTD PO BOX 2450 HAMILTON HM JX BD	CAPTIVE INSURANCE	BD	N/A	C			
(3) PINNACLE HEALTH CARDIOVASCULAR INSTITUTE PO BOX 8700 HARRISBURG, PA17105 32-0321362	PHYSICIAN SERVICES	PA	N/A	C			
(4) CARDIOLOGY PRACTICE INC PO BOX 8700 HARRISBURG, PA17105 80-0658616	PHYSICIAN SERVICES	PA	N/A	C			

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III or IV**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)
- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)
- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees
- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses
- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a		No
1b		No
1c	Yes	
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j	Yes	
1k	Yes	
1l	Yes	
1m		No
1n	Yes	
1o	Yes	
1p	Yes	
1q	Yes	
1r	Yes	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

**Part VII Supplemental Information**

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

Identifier	Return Reference	Explanation
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