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MMC 07/26/2012 3 25 PM

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

1101

A For the 2010 calendar year, or tax year beginning 10/01/10 , and ending 09/30/11

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

C Name of organization: Maine Medical Center

Doing Business As:

Number and street (or P O box if mail is not delivered to street address): 22 Bramhall Street

Room/suite:

City or town, state or country, and ZIP + 4: Portland ME 04102

D Employer identification number: 01-0238552

E Telephone number: 207-662-2576

G Gross receipts $: 1565011371

F Name and address of principal officer:
Richard W. Petersen
22 Bramhall Street
Portland ME 04102

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

H(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

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

J Website: ▶ www.mmc.org

H(c) Group exemption number ▶

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1951

M State of legal domicile: ME

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
See Schedule O

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)	3	27
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	23
5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	6919
6 Total number of volunteers (estimate if necessary)	6	876
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,717,607
b Net unrelated business taxable income from Form 990-T, line 34	7b	-44,614

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	26,204,415	32,312,015
9 Program service revenue (Part VIII, line 2g)	748,241,253	789,964,187
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10,199,656	19,555,421
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	12,303,763	52,325,357
12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	796,949,087	894,156,980
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,080,130	1,585,350
14 Benefits paid to or for members (Part IX, column (A), line 4)		
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	385,997,437	430,028,268
16a Professional fundraising fees (Part IX, column (A), line 11e)	61,503	63,348
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,445,285		
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	355,096,609	390,873,819
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	742,235,679	822,550,785
19 Revenue less expenses. Subtract line 18 from line 12	54,713,408	71,606,195

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	1085621049	1098704079
21 Total liabilities (Part X, line 26)	488,013,656	515,082,782
22 Net assets or fund balances. Subtract line 21 from line 20	597,607,393	583,621,297

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: John E. Heye — Date: 8/13/12

Type or print name and title: John E. Heye Chief Financial Officer

Paid Preparer Use Only

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

Firm's name ▶ MaineHealth — Firm's EIN ▶

Firm's address ▶ 110 Free St Portland, ME 04101-3908 — Phone no

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

For Paperwork Reduction Act Notice, see the separate Instructions.

DAA

Form 990 (2010)

SCANNED JUN 25 2013

RECEIVED MAY 08 2013 OGDEN UT OSC

JUN 19 2013

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9/18/58

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission

See Schedule O

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 [X] 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 [X] 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 $ 176,911,100 including grants of $) (Revenue $ 282,921,987)

Routine Services - Adults, Pediatrics, Intensive Care, Neonatal Intensive Care, Coronary Care, Nursery

Total Patient Days - 151,616

See attached Community Benefit Statement.

4b (Code) (Expenses $ 96,419,070 including grants of $) (Revenue $ 365,923,485)

Operating Room and Scarborough Surgery Center

Total Visits - 28,653

Through its 33 operative suites, Maine Medical Center (the Medical Center) provides critical trauma, emergent, urgent, and elective surgical services to the community. Through its expansive array of surgical capabilities, the Medical Center provides most surgical procedures within its community as a great convenience to its patients without regard to their ability to pay.

4c (Code) (Expenses $ 35,805,867 including grants of $) (Revenue $ 72,408,211)

Emergency Department and Brighton First Care (BFC)

Total Visits - 88,150

The Emergency Department and especially BFC serve as the primary care physician for a number of low income and indigent residents of greater Portland. Given the Medical Center's commitment to access to care regardless of ability to pay, these emergency treatment centers serve a vital role in the community's health care network.

4d Other program services (Describe in Schedule O)
(Expenses $ 414,237,292 including grants of $ 1,585,350) (Revenue $ 68,710,504)

4e Total program service expenses ▶ 723,373,329

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21		X
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	X	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	X	
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 through 24d and complete Schedule K. If "No," go to line 25	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? If "Yes," complete Schedule M	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	X	
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33		X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	X	
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 [X] Yes [ ] No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-chantable related organization? If "Yes," complete Schedule R, Part V, line 2	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	804		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	6919		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		X	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b		X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			X
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?	13a			
	Note. See the instructions for additional information the organization must report on Schedule O				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b			

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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 [X]

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	27		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	23		
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			X
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			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Does the organization have members or stockholders?	6		X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
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			X

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		X
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	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
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	X	
b	Other officers or key employees of the organization	15b	X	
	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	X	
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	X	

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Forms 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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ Director of Accounting 22 Bramhall Street Portland ME 04102 207-662-4500

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 [X]

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 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 organizations compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) William L. Caron, Jr. Trustee	2.00	X						0	1,058,110	69,896
(2) Richard W. Petersen President	50.00	X		X				972,900	0	67,040
(3) Samuel Broaddus, M.D. Trustee	50.00	X						411,309	0	40,609
(4) Mary C. Brandes, M.D. Trustee	50.00	X						353,588	0	19,326
(5) David E. Warren Chairman	2.00	X		X				0	0	0
(6) Christopher W. Emmons Vice Chair	2.00	X		X				0	0	0
(7) Joyce Foley Trustee	2.00	X						0	0	0
(8) Reed Quinn, M.D. Trustee	2.00	X						0	0	0
(9) Morris Fisher Trustee	2.00	X						0	0	0
(10) Jere G. Michelson Trustee	2.00	X						0	0	0
(11) Bill Burke Trustee	2.00	X						0	0	0
(12) Ward I. Graffam Trustee	2.00	X						0	0	0
(13) Frank H. Frye Trustee	2.00	X						0	0	0
(14) Costas T. Lambrew, M.D. Trustee	2.00	X						0	0	0
(15) Susannah Swihart Trustee	2.00	X						0	0	0
(16) Joe Wishcamper Trustee	2.00	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17) Susan Hilton Trustee	2.00	X						0	0	0
(18) Patricia B. Stogsdill, M.D. Trustee	2.00	X						0	0	0
(19) Meg Baxter Trustee	2.00	X						0	0	0
(20) Heidi Hansen Trustee	2.00	X						0	0	0
(21) Brian Petrovek Trustee	2.00	X						0	0	0
(22) Katherine Pope, M.D. Trustee	2.00	X						0	0	0
(23) Parker Roberts, M.D. Trustee	2.00	X						0	0	0
(24) Elizabeth Lunt Trustee	2.00	X						0	0	0
(25) Beth Newlands Campbell Trustee	2.00	X						0	0	0
(26) Margaret Bush Trustee	2.00	X						0	0	0
(27) Beth Shorr Trustee	2.00	X						0	0	0
(28) Peter Bates, M.D. CMO	50.00			X				526,011	0	38,291
1b Sub-total							▶	2,263,808	1,058,110	235,162
c Total from continuation sheets to Part VII, Section A							▶	6,027,497	312,098	586,868
d Total (add lines 1b and 1c)							▶	8,291,305	1,370,208	822,030

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 ▶ 489

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

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
Eclipsys Corporation 200 Ashford Center North Atlanta GA 30338	Systems Support	4,593,020
Hebert Construction LLC 9 Gould Rd Lewiston ME 04240	Construction	4,084,927
William A Berry & Sons, Inc. 100 Conifer Hill Dr Danvers MA 01923	Construction	3,547,031
Johnson & Jordan, Inc. 18 Mussey Road Scarborough ME 04074	Mechanical Contractor	2,815,380
Spectrum Medical Group, PA 324 Gannett Drive, Suite 200 South Portland ME 04106	Medical Service	2,415,605

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 116

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17) Marjorie Wiggins CNO	50.00			X				392,795	0	27,193
(18) John E. Heye Reg Agent	50.00			X				366,477	0	34,431
(19) Donald E. Quigley Asst Secretary	2.00			X				0	312,098	34,569
(20) Jeffrey Sanders COO	50.00			X				210,359	0	26,909
(21) Kurt E. Klebe Secretary	2.00			X				0	0	0
(22) James Wilson, M.D. Surgeon	50.00					X		987,198	0	115,045
(23) Joseph Alexander, M.D. Surgeon	50.00					X		975,389	0	22,245
(24) Konrad Barth, M.D. Surgeon	50.00					X		959,027	0	110,929
(25) Jeffrey Florman, M.D. Surgeon	50.00					X		943,707	0	93,274
(26) Rajiv Desai, M.D. Surgeon	50.00					X		923,661	0	86,780
(27) George Higgins, M.D. Former CMO	50.00						X	268,884	0	35,493
(28)										
1b Sub-total ▶								6,027,497	312,098	586,868
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

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 ▶

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

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

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

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a	1,507,336				
	b Membership dues	1b					
	c Fundraising events	1c	185,935				
	d Related organizations	1d	17,887				
	e Government grants (contributions)	1e	22,795,606				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	7,805,251				
	g Noncash contributions included in lines 1a-1f $		1,347,868				
	h Total. Add lines 1a–1f		▶	32,312,015			
Program Service Revenue		Busn. Code					
	2a Net Patient Service Revenue	623000		789,964,187	789,964,187		
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a–2f		▶	789,964,187			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		▶	14,273,198			14,273,198
	4 Income from investment of tax-exempt bond proceeds		▶				
	5 Royalties		▶				
		(i) Real	(ii) Personal				
	6a Gross Rents						
	b Less rental exps						
	c Rental inc or (loss)						
	d Net rental income or (loss)		▶				
	7a Gross amount from sales of assets other than inventory	(i) Securities 675,192,418	(ii) Other 785,576				
	b Less cost or other basis & sales exps	670,191,041	504,730				
	c Gain or (loss)	5,001,377	280,846				
	d Net gain or (loss)		▶	5,282,223			5,282,223
	8a Gross income from fundraising events (not including $ 185,935 of contributions reported on line 1c) See Part IV, line 18	a	492,050				
	b Less direct expenses	b	158,620				
	c Net income or (loss) from fundraising events		▶	333,430			333,430
	9a Gross income from gaming activities See Part IV, line 19	a					
	b Less direct expenses	b					
	c Net income or (loss) from gaming activities		▶				
	10a Gross sales of inventory, less returns and allowances	a					
	b Less cost of goods sold	b					
	c Net income or (loss) from sales of inventory		▶				
	Miscellaneous Revenue	Busn. Code					
	11a Other Revenue	722210		52,132,735	52,132,735		
	b Admin. Services Revenue	561000		1,717,607		1,717,607	
	c Non Operating Revenue	900099		-526,501	-526,501		
	d All other revenue	900099		-1,331,914	-1,331,914		
	e Total. Add lines 11a–11d		▶	51,991,927			
	12 Total revenue. See instructions		▶	894,156,980	840,238,507	1,717,607	19,888,851

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	1,585,350	1,585,350		
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	3,730,739		3,730,739	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	321,910,747	278,373,261	42,653,174	884,312
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	32,142,779	27,883,861	4,258,918	
9 Other employee benefits	49,699,922	43,114,682	6,585,240	
10 Payroll taxes	22,544,081	19,500,332	2,987,091	56,658
11 Fees for services (non-employees).				
a Management				
b Legal	1,211,326		1,211,326	
c Accounting	1,475,022		1,475,022	
d Lobbying				
e Professional fundraising services See Part IV, line 17	63,348			63,348
f Investment management fees	1,238,739		1,238,739	
g Other	40,197,202	31,206,829	8,957,850	32,523
12 Advertising and promotion	1,762,536	1,529,000	233,536	
13 Office expenses	123,027,438	121,875,587	1,055,828	96,023
14 Information technology	8,393,700	7,281,535	1,112,165	
15 Royalties				
16 Occupancy	20,258,569	17,466,685	2,684,260	107,624
17 Travel	2,012,109	1,077,828	897,272	37,009
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	646,075	562,150	82,627	1,298
20 Interest	4,409,482	3,825,226	584,256	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	53,735,144	46,615,237	7,119,907	
23 Insurance	6,043,169	5,242,449	800,720	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a Bad Debt	35,729,102	35,729,102		
b Outside Medical Services	25,536,717	25,536,717		
c Hospital Tax	14,944,433	14,944,433		
d Maintenance	13,139,244	11,361,359	1,740,950	36,935
e Miscellaneous	8,401,874	7,196,416	1,113,248	92,210
f All other expenses	28,711,938	21,465,290	7,209,303	37,345
25 **Total functional expenses.** Add lines 1 through 24f	822,550,785	723,373,329	97,732,171	1,445,285
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest bearing			1	
	2	Savings and temporary cash investments		29,633,942	2	15,080,285
	3	Pledges and grants receivable, net		6,433,185	3	6,513,362
	4	Accounts receivable, net		58,263,438	4	59,642,562
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)			6	
	7	Notes and loans receivable, net		738,526	7	828,680
	8	Inventories for sale or use		6,834,682	8	6,988,718
	9	Prepaid expenses and deferred charges		30,734,917	9	41,582,449
	10a	Land, buildings, and equipment. cost or other basis Complete Part VI of Schedule D	10a 831,361,718			
	b	Less accumulated depreciation	10b 401,789,719	428,534,850	10c	429,571,999
	11	Investments—publicly traded securities		438,667,780	11	407,507,981
	12	Investments—other securities See Part IV, line 11		29,636,974	12	28,901,615
	13	Investments—program-related See Part IV, line 11		8,945,524	13	8,712,717
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		47,197,231	15	93,373,711
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1085621049	16	1098704079
Liabilities	17	Accounts payable and accrued expenses		66,329,692	17	67,340,720
	18	Grants payable			18	
	19	Deferred revenue		498,050	19	805,693
	20	Tax-exempt bond liabilities		128,638,940	20	118,017,071
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		239,535	23	2,761,850
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		292,307,439	25	326,157,448
	26	**Total liabilities.** Add lines 17 through 25		488,013,656	26	515,082,782
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		496,352,709	27	484,027,534
	28	Temporarily restricted net assets		78,235,213	28	76,034,061
	29	Permanently restricted net assets		23,019,471	29	23,559,702
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		597,607,393	33	583,621,297
	34	Total liabilities and net assets/fund balances		1085621049	34	1098704079

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI [X]

1	Total revenue (must equal Part VIII, column (A), line 12)	1	894,156,980
2	Total expenses (must equal Part IX, column (A), line 25)	2	822,550,785
3	Revenue less expenses. Subtract line 2 from line 1	3	71,606,195
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	597,607,393
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-85,592,291
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	583,621,297

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Maine Medical Center

Employer identification number
01-0238552

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the 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)

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

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

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

Section B. Total Support

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

12 Gross receipts from related activities, etc (see instructions) 12

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

Section C. Computation of Public Support Percentage

14	Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	%
15	Public support percentage from 2009 Schedule A, Part II, line 14	15	%

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

Part IV **Supplemental Information.** 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).

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions.

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2010
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If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

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

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

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

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

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

Name of organization	Employer identification number
Maine Medical Center	01-0238552

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
2 Political expenditures ▶ $
3 Volunteer hours

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $
2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
4a Was a correction made? ☐ Yes ☐ No
b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $
4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

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

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

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

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

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

4-Year Averaging Period Under Section 501(h)

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i	Other activities? If "Yes," describe in Part IV	X		65,822
j	Total Add lines 1c through 1i			65,822
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Schedule C, Part II-B, Line 1i

Portion of Dues paid that relate to lobbying expenses:

Maine Hospital Association - $46,784

American Hospital Association - $18,513

Maine State Chamber of Commerce - $525

Part IV Supplemental Information (continued)

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.

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2010

Open to Public Inspection

Name of the organization

Maine Medical Center

Employer identification number

01-0238552

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 can 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 education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 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 Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 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 (ASC 958), 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 (ASC 958), 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 (ASC 958) 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 acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

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

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

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

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

		Amount
c	Beginning balance	1c 56,218,416
d	Additions during the year	1d 163,804
e	Distributions during the year	1e 6,797,060
f	Ending balance	1f 49,585,160

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

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

Part V Endowment Funds. Complete if 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	91,020,571	82,336,677	82,100,837		
b Contributions	540,226	1,430,663	554,091		
c Net investment earnings, gains, and losses	-1,878,109	7,253,231	-318,252		
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	89,682,688	91,020,571	82,336,677		

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

- a Board designated or quasi-endowment ▶ %
- b Permanent endowment ▶ 26.00 %
- c Term endowment ▶ 74.00 %

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

	Yes	No
(i) unrelated organizations 3a(i)	X	
(ii) related organizations 3a(ii)		X

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

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

Part VI 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		21,412,529		21,412,529
b Buildings		397,688,269	172,613,674	225,074,595
c Leasehold improvements		1,676,531	1,208,751	467,780
d Equipment		380,520,853	227,967,294	152,553,559
e Other		30,063,536		30,063,536
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) ▶				429,571,999

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		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Column (b) must 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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must 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
(1)	AR under Reimbursement Regulations	55,439,893
(2)	Prepaid Capital Costs	18,861,141
(3)	Due from Related Parties	12,542,874
(4)	Other Assets	3,737,759
(5)	Charitable Remainder Trust	2,028,547
(6)	Deferred Financing Costs	722,764
(7)	Cash Surr. Value of Life Insurance	40,733
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ▶		93,373,711

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

1.	(a) Description of liability	(b) Amount
(1)	Federal income taxes	
(2)	Accrued Retirement Benefits	231,416,940
(3)	A/P under Reimbursement Regulations	32,207,797
(4)	Self Insurance Reserves	17,087,670
(5)	Asset Retirement Obligation	16,559,292
(6)	Swap Agreements	14,996,989
(7)	Due to Related Parties	10,885,600
(8)	Leases Payable	2,636,550
(9)	Other Liabilities	366,610
(10)		
(11)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶		326,157,448

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

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

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

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

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

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

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

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, 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

Part III, Line 1a - Terms for Not Reporting Assets Per SFAS 116

The organization has artwork that was received directly from the artists. This artwork is not recorded in the organization's financial statements. The artwork is on display at the hospital.

Part III, Line 4 - Collections and Relation to Exempt Purpose

The Maine Medical Center Arts Program engages the hospital in the arts and

humanities to further support and enhance patient and family centered care.

Part IV, Line 1b - Explanation for Unreported Contributions or Assets

The investment pool at MMC includes investments from several related entities. These investments are not included in MMC's financial statements.

Part V, Line 4 - Intended Uses for Endowment Funds

The endowed funds support the following types of activities: Tufts scholarship program, training and education of nurses, MMC research and education programs, supporting the salary of endowed Chair of Pediatrics and free bed funding.

SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open To Public Inspection

Name of the organization
Maine Medical Center

Employer identification number
01-0238552

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

a [X] Mail solicitations
b [X] Internet and email solicitations
c [ ] Phone solicitations
d [X] In-person solicitations
e [X] Solicitation of non-government grants
f [X] Solicitation of government grants
g [X] Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? [ ] Yes [X] No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fund-raiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total				▶			

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing

Maine, Florida, New Hampshire

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 BBCH Golf/Aucti (event type)	(b) Event #2 MCCP Strike Out (event type)	(c) Other events 6 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	183,801	149,289	344,895	677,985
	2 Less Charitable contributions	91,138	30,200	64,597	185,935
	3 Gross income (line 1 minus line 2)	92,663	119,089	280,298	492,050
Direct Expenses	4 Cash prizes				
	5 Noncash prizes	10,002			10,002
	6 Rent/facility costs	52,160		12,336	64,496
	7 Food and beverages	858	176	3,750	4,784
	8 Entertainment	950		2,800	3,750
	9 Other direct expenses	12,851	3,080	59,657	75,588
	10 Direct expense summary Add lines 4 through 9 in column (d)			▶	158,620
	11 Net income summary Combine line 3, column (d), and line 10			▶	333,430

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ☐ No %	☐ Yes ☐ No %	☐ Yes ☐ No %	
	7 Direct expense summary Add lines 2 through 5 in column (d)			▶	
	8 Net gaming income summary Combine line 1, column d, and line 7			▶	

9 Enter the state(s) in which the organization operates gaming activities.

a Is the organization licensed to operate gaming activities in each of these states? 9a ☐ Yes ☐ No

b If "No," explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? 10a ☐ Yes ☐ No

b If "Yes," explain.

11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in.

a The organization's facility	13a	%
b An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ and the amount of gaming revenue retained by the third party ▶ $

c If "Yes," enter name and address of the third party

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ $

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Maine Medical Center

Employer identification number
01-0238552

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	X	
b	If "Yes," is it a written policy?	1b	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☒ Other 175%	3a	X	
b	Did the organization use FPG to determine eligibility for providing discounted care to low income individuals? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☒ Other 225%	3b	X	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		X
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	X	
b	If "Yes," does the organization make it available to the public?	6b	X	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			18,086,005		18,086,005	2.30
b Unreimbursed Medicaid (from Worksheet 3, column a)			97,987,461	66,043,779	31,943,682	4.06
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			116,073,466	66,043,779	50,029,687	6.36
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			852,255		852,255	0.11
f Health professions education (from Worksheet 5)			42,792,429	9,106,394	33,686,035	4.28
g Subsidized health services (from Worksheet 6)			13,325,287		13,325,287	1.69
h Research (from Worksheet 7)			9,753,580		9,753,580	1.24
i Cash and in-kind contributions to community groups (from Worksheet 8)			589,020		589,020	0.07
j Total. Other Benefits			67,312,571	9,106,394	58,206,177	7.39
k Total. Add lines 7d and 7j			183,386,037	75,150,173	108,235,864	13.75

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			136,922		136,922	0.02
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development			449,150		449,150	0.05
9 Other						
10 Total			586,072		586,072	0.07

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?		1		X
2 Enter the amount of the organization's bad debt expense (at cost)	2 16,307,602			
3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3			
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5 169,857,551			
6 Enter Medicare allowable costs of care relating to payments on line 5	6 197,263,275			
7 Subtract line 6 from line 5 This is the surplus or (shortfall)	7 -27,405,724			
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used				

☐ Cost accounting system ☒ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?	9a	X	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV Management Companies and Joint Ventures

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

Part V Facility Information

Section A. Hospital Facilities
(list in order of size, measured by total revenue per facility, from largest to smallest)

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

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)
1 Maine Medical Center 22 Bramhall Street Portland ME 04102	X	X	X	X		X	X		

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of Hospital Facility: _____

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

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

Part V Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing discounted care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care _____ %	10	
11	Explained the basis for calculating amounts charged to patients?	11	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)		
a	☐ Income level		
b	☐ Asset level		
c	☐ Medical indigency		
d	☐ Insurance status		
e	☐ Uninsured discount		
f	☐ Medicaid/Medicare		
g	☐ State regulation		
h	☐ Other (describe in Part VI)		
12	Explained the method for applying for financial assistance?	12	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		
a	☐ The policy was posted on the hospital facility's website		
b	☐ The policy was attached to billing invoices		
c	☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	☐ The policy was posted in the hospital facility's admissions offices		
e	☐ The policy was provided, in writing, to patients on admission to the hospital facility		
f	☐ The policy was available on request		
g	☐ Other (describe in Part VI)		
Billing and Collections			
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year		
a	☐ Reporting to credit agency		
b	☐ Lawsuits		
c	☐ Liens on residences		
d	☐ Body attachments		
e	☐ Other actions (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to perform any of the following collection actions during the tax year?	16	
	If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)		
a	☐ Reporting to credit agency		
b	☐ Lawsuits		
c	☐ Liens on residences		
d	☐ Body attachments		
e	☐ Other actions (describe in Part VI)		
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply)		
a	☐ Notified patients of the financial assistance policy on admission		
b	☐ Notified patients of the financial assistance policy prior to discharge		
c	☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d	☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance		
e	☐ Other (describe in Part VI)		

Part V Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

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

Part V Facility Information (continued)

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

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

How many non-hospital facilities did the organization operate during the tax year? 32

	Name and address	Type of Facility (describe)
1	MMC Scarborough Campus 100 Campus Drive Scarborough ME 04074	General Medical and Surgical
2	MMC Scarborough Surgical Center 84 Campus Drive Scarborough ME 04074	General Medical and Surgical
3	MMC Brighton Campus 335 Brighton Ave Portland ME 04102	Emergency Care
4	McGeachy Hall 216 Vaughn Street Portland ME 04102	Mental Health Services
5	MMC Family Medicine 272 Congress Street Portland ME 04101	General Medicine
6	MMC Clinics 22 Bramhall Street Portland ME 04102	General Medicine
7	Coastal Cancer Treatment Center 175 Congress Street Bath ME 04350	Cancer Treatment Center
8	Mental Health Services 66 Bramhall Street Portland ME 04102	Mental Health Services
9	Maine Transplant Program 19 West Street Portland ME 04102	Kidney and Pancreas Transplant
10	Maine Institute for Sleep and Breathing Disorders 930 Congress Street Portland ME 04102	Sleep and Breathing Disorders

Part V Facility Information (continued)

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

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

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

	Name and address	Type of Facility (describe)
11	MMC Pediatric Clinic 22 Bramhall Street Portland ME 04102	Pediatrics
12	Women's Health, Division of Gynecologic Oncology 102 Campus Drive, Unit 116 Scarborough ME 04074	Women's Healthcare
13	MMC Falmouth Campus 5 Bucknam Road Falmouth ME 04105	General Medicine
14	Cape Elizabeth Internal Medicine 155 Spurwink Ave Cape Elizabeth ME 04107	General Medicine
15	Urology 100 Brickhill Ave, Suite 100 South Portland ME 04106	Urology
16	Neurosurgery & Spine and Neurology 49 Spring Street Scarborough ME 04074	Neurosurgery, Spine and Neurology Care
17	MMC Turning Point Rehab Center 96 Campus Drive Scarborough ME 04074	Rehab for Cardiac Patients
18	Falmouth Internal/Pediatric Medicine 5 Buckman Road, Suite 2A Falmouth ME 04105	General Medicine
19	MMC Bariatric Surgery Clinic 12 Andover Road Portland ME 04102	General Medical and Surgical
20	Endocrinology & Diabetes 175 US Route 1 Scarborough ME 04074	Endocrinology and Diabetes

Part V Facility Information (continued)

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

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

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

Name and address	Type of Facility (describe)
21 Scarborough Family Medicine 96 Campus Drive, Suite 2C Scarborough ME 04074	General Medicine
22 Lakes Region Primary Care 584 Roosevelt Trail Windham ME 04062	General Medicine
23 Ambulatory Clinic Services 48-52 Gilman Street Portland ME 04102	General Medicine
24 Center for Tobacco Independence 315 Park Avenue, Second Floor Portland ME 04101	Tobacco Treatment Center
25 Gorham Family Medicine 94 Main Street Gorham ME 04038	General Medicine
26 Department of Vocational Services 39 Forest Ave Portland ME 04101	Rehabiliation Services
27 Maine Children's Cancer Program 100 Campus Drive, Unit 107 Scarborough ME 04074	Children's Cancer Program
28 Otolaryngology 1250 Forest Avenue Portland ME 04103	Otolaryngology Services
29 Portland Pediatrics 1577 Congress Street Portland ME 04102	Pediatrics
30 Pediatric Surgery & Specialty Care 887 Congress Street Portland ME 04102	Pediatrics

Part V Facility Information (continued)

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

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

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

Name and address	Type of Facility (describe)
31 Orthopedics 335 Brighton Ave Portland ME 04102	Orthopedic Care
32 Maine Mental Health Services 295 Park Ave Portland ME 04102	Mental Health Services

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Part I, Line 7g - Subsidized Health Services Explanation

$4,618,821 of expenses related to outpatient clinics are included in the subsidized health services total in Part I, Line 7g.

Part I, Line 7, Column (f) - Exclusions from Percent of Total Expense

Bad Debt expense of $35,729,102 was removed from the total expenses when calculating the percent of total expenses in Column (f).

Part I, Line 7 - Costing Methodology Explanation

The costing methodology for the amounts reported in Part I, Line 7 of the Schedule H is based on a ratio of patient care cost to charges. This cost to charge ratio was derived from Worksheet 2, Ratio of Patient Care Cost-to-Charges provided in the instructions for Schedule H.

Part II - Community Building Activities

Community Support

- Maine Medical Center is deeply involved in disaster planning at the local and state levels. One of three state Regional Resource Centers for Emergency Preparedness is located at the Medical Center, and the hospital

Part VI Supplemental Information

Complete this part to provide the following information.

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

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

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

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

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

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

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

has a full-time director of emergency preparedness.

- Participation in the packing of gifts for the Salvation Army families for Christmas during normal working hours.

- Placement of pastoral care students in community agencies one day per week during the summer: outpatient cancer, Preble Street, nursing homes and Seafarers.

Workforce Development

- Training for Surgical Techs

- CNA Training Program

- Maine Medical Center's mini Medical School is a week long summer program designed to give Maine college students an idea of what a career in medicine is all about. The program offers a series of lectures, hands on activities and clinical experiences designed to expose aspiring students to a combination of small group didactic sessions, research experience and clinical procedures.

Part III, Line 4 - Bad Debt Expense Explanation

Maine Medical Center does not have a specific footnote in the financial

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

statements that describes "Bad Debt Expense". Maine Medical Center reports accounts receivable for services rendered net of allowances for contractual adjustments, third party reimbursing agencies, free care and bad debts. A bad debt allowance is established for accounts the hospital believes will become uncollectible. The allowance is established by examining historical data, aging trends of commercial insurance and self-pay balances and economic trends. The offset to the allowance account is to Bad Debt Expense on the Statement of Operations.

Recoveries on accounts previously written off are accounted for on a cash basis and are applied directly to the Provision for Bad Debts on the Statement of Operations. Amounts written off or recovered from Bad Debts during the year are charged against the allowance account on the Balance Sheet.

Bad debt expense represents healthcare services Maine Medical Center has provided without compensation. As a tax-exempt hospital, Maine Medical Center provides necessary patient care regardless of the patient's ability to pay for the services. A portion of Maine Medical Center's bad debt expense is attributable to patients eligible for financial assistance that, for a variety of reasons, do not complete the financial assistance

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

application process. Maine Medical Center can not determine the amount of bad debt expense that could be reasonably attributable to patients who likely would qualify for financial assistance under the Medical Center's free care policy. In addition, bad debt expense also includes amounts for services provided to individuals experiencing difficult personal or economic circumstances related to a portion of our community based patient population. Their medical bills often place these individuals in untenable positions where they are not able to handle their personal debt and then their new medical debt. However, because of their income level, they do not qualify for free care. By providing necessary healthcare services to those individuals either who fail to apply for financial assistance or who are experiencing difficult personal or economic circumstances, Maine Medical Center believes that bad debt expense should be included as a community benefit.

Part III, Line 8 - Medicare Explanation

Medicare allowable costs were calculated using a cost to charge ratio. Maine Medical Center believes that the Medicare shortfall should be included as a community benefit because the Medical Center has a clear

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

mission commitment to serving elderly patients and adults with disabilities through the provision of specific subsidized programs developed to help improve the health status of these patients. If these critical subsidized programs were not provided by the Medical Center, they would become the obligation of the Federal Government.

Part III, Line 9b - Collection Practices Explanation

Patients who qualify for charity care or financial assistance have their account balance adjusted accordingly once charity care or financial assistance has been approved. For patients that do not qualify for 100% financial assistance, the appropriate discount percentage is applied and a monthly payment plan is set up for the remainder of the patient's balance.

Needs Assessment

MMC's Board is made up of a diverse set of community members. The Board requires a thorough Community Needs Assessment on behalf of the organization, and directs the organization to analyze and respond to the

Part VI Supplemental Information

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current needs assessment. MaineHealth also participates in various initiatives to help support and provide updates to community needs assessment planning. Some of these initiatives include:

- Clinical Strategic Planning
- Financial Strategic Planning
- Facility Planning
- Manpower Planning
- Physician Recruitment Strategic Planning
- Emergency Preparedness Planning

Along with the internal assessments, most member organizations also review and act on many of the recommendations provided by external groups such as the Maine Center for Disease Control and Prevention and the "State Health Plan" created by the Advisory Committee for Health Systems Development. In addition, MaineHealth and its partners in the OneMaine Health Collaborative, Eastern Maine Health System and MaineGeneral Health, released the OneMaine Health Community Health Needs Assessment Report in March 2011. The report is a comprehensive compilation and analysis containing primary and secondary health data sources. The report contains a Health Status Profile for the state as a whole and for each of Maine's

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sixteen counties. The primary data source was a randomized telephone survey; the sampling methodology was designed to permit comparisons at the county level. Secondary data sources include numerous state and federal sources. This report provides baseline data on hundreds of health indicators that are relevant to hospitals and communities to inform planning and evaluation activities. Plans call for the Community Health Needs Assessment to be replicated every three years. MaineHealth will hold community forums in partnership with each member and affiliate hospital in order to increase understanding and use of the Community Health Needs Assessment and to inform identification and action on local, community-based health priorities.

Patient Education of Eligibility for Assistance

Financial assistance information is provided in the Admitting, Outpatient, and Emergency Registration locations in the following manner:

- Postings including Free Care, Prompt Payment Program, Monthly Payment Plan and Expanded Free Care Program
- Handouts
- Interviews

Part VI Supplemental Information

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All patients receive MMC's Free Care Guidelines and Financial Policies brochure explaining our billing policies, and contact information.

If the patient is self pay, under insured or can not afford to pay their hospital bill, they receive a Financial Policies Book and financial counseling from the registration staff. The booklet includes:

- Information on MMC's financial policies
- Financial assistance information including Free Care Program, Income Based Discount Program, Prompt Pay Discount Program, Monthly Payment Plan Program and Care Partners
- Program applications and instructions for MMC's Free Care Program, Income Based Discount Program, and Monthly Payment Plan Application
- Contact information for assistance with applications, bills or financial concerns

Self pay or underinsured patients registering in person or via a phone interview receive financial counseling including information on our financial assistance programs and MaineCare. Registration staff provide forms and assist with completing financial assistance applications and providing follow up contact information.

Inpatients who are uninsured, under insured or any patients who may have

Part VI Supplemental Information

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difficulty paying their hospital bills are visited by an Admitting Financial Counselor to discuss financial assistance programs and assist with applications. These patients are also referred to Social Work for assistance with MaineCare applications and other financial needs.

MMC's Web site includes on line Registration and Patient Billing information:

- Billing Process
- Free Care
- Discount Program
- Prompt Pay Discount
- Monthly Payment Plan
- Patient Statement
- Price Information
- Contact Us and Questions

Primary language, deaf and hard of hearing and interpreter needs are assessed during the registration interview and services are provided as needed.

If a patient does not respond at pre-registration, registration, or while receiving care, all of these programs are explained again by the Patient

Part VI Supplemental Information

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Accounts staff. The intent of these efforts is to ensure that the patient is fully informed of and able to take advantage of these assistance programs.

Community Information

Most of Maine Medical Center's services are found at our main campus, at 22 Bramhall Street in Maine's largest city. A city of 66,000, Portland is located on Maine's southern coast. The cost of living index is 115. Services are also located at our Brighton Campus and our Family Medicine Center, both located in Portland, as well as at our campus in Scarborough, the Falmouth Family Health Center, and Coastal Cancer Treatment Center in Bath. A joint venture with Southern Maine Medical Center and Goodall Hospital, the Cancer Care Center of York County is located in Sanford. New England Rehabilitation Hospital of Portland, a joint venture with HealthSouth, is located on our Brighton Campus.

Maine Medical Center is a tertiary hospital for all of Maine, caring for nearly one of every five hospital inpatients in the state. As a nonprofit institution, Maine Medical Center provides nearly 24 percent of all the charity care delivered in Maine. Portland, where our main campus is

Part VI Supplemental Information

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located, has a large refugee and immigrant population.

While serving all sixteen counties in Maine, 86% of all inpatient and outpatient services provided by Maine Medical Center were for the residents of both Cumberland and York counties.

Health of Community in Relation to Exempt Purpose

Maine Medical Center's day-to-day operations as a tax-exempt organization include many system-wide initiatives in Cumberland County and in the state of Maine and the Northern New England region. Clinical services range from outpatient clinics for a diverse population, to full inpatient and surgical services, to a regional trauma center and a neuroscience institute; many of our services and specialties are not available elsewhere in the state or in our region. We have programs in undergraduate and continuing education, engage in clinical research, and support organizations and efforts whose missions augment or complement ours; we strive to be a good "institutional citizen" of our region and state. With these programs, Maine Medical Center hopes to fill existing local gaps, while making a positive impact in the communities we serve.

These programs include: Subsidized Health Services, Community-Based

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Clinical Services, Community Education Services, Health Care Support Services, Community Building Activities, Medical Education and Research. See the attached Community Benefit Report for additional information on each of these programs and services.

Maine Medical Center made a net asset transfer to its wholly owned subsidiary, Maine Medical Partners, in the amount of $29,999,491 to cover the losses related to mission-critical physician practices to ensure coverage for the community in such specialties as trauma surgery, neurosurgery, urology, various pediatric specialties, and high-risk obstetrics.

Affiliated Health Care Information

MaineHealth is a not-for-profit family of leading high-quality providers and other healthcare organizations working together so their communities are the healthiest in America. Ranked among the nations top 100 integrated healthcare delivery networks, MaineHealth is governed by a board of trustees consisting of community and business leaders from its southern, central and western Maine regional service areas.

The collaboration of MaineHealth members makes it possible to offer an

Part VI Supplemental Information

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extensive range of clinical integration and community health programs, many aimed at improving access to preventive and primary care services.

MaineHealth includes the following member organizations: Lincoln County Healthcare (Miles Memorial Hospital and St. Andrews Hospital & Healthcare Center), Maine Medical Center, Maine Mental Health Partners (Spring Harbor Hospital), Pen Bay Healthcare (Pen Bay Medical Center), Southern Maine Medical Center, Waldo County Healthcare (Waldo County General Hospital), Western Maine Health (Stephens Memorial Hospital), HomeHealth Visiting Nurses, Maine Physician Hospital Organization, NorDx and Synernet.

Affiliates of MaineHealth include MaineGeneral Medical Center, Mid Coast Hospital, New England Rehabilitation Hospital and St. Marys Regional Medical Center.

List of States Where Community Benefit Report is Filed

Maine

Additional Information

Part I, Line 3b

Maine Medical Center uses Federal Poverty Guidelines (FPG) for providing

Part VI Supplemental Information

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discounted care to low income individuals. The family income limit for eligibility for discounted care is 176% - 225%. An average rate of 200% is used in Part I, Line 3b.

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ Attach to Form 990.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

Maine Medical Center

Employer identification number

01-0238552

Part I General Information on Grants and Assistance

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

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

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

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							

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

3 Enter total number of other organizations ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1	Scholarships	142	1,585,350			
2						
3						
4						
5						
6						
7						

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

Part I, Line 2 - Procedures for Monitoring the Use of Grant Funds

For the Nursing Scholarships, as an application requirement, each scholarship applicant must provide confirmation of enrollment in a program of studies in Nursing. For the Medical Education Scholarships for students in the MMC.TUSM Medical School Program, the Medical Center transfers the scholarship funds to the Tufts School of Medicine financial aid department for disbursement to the students. Tufts handles any oversight to ensure that the funds are used as intended. Maine Medical Center's role is limited to matching eligible students with scholarship selection criteria and determining who receives each scholarship award.

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

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

OMB No 1545-0047

2010

Open To Public Inspection

Name of the organization

Maine Medical Center

Employer identification number

01-0238552

Part I Questions Regarding Compensation

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

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

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

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

	(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	William L. Caron, Jr.	(i)	0	0	0	0	0	0	0
		(ii)	646,837	170,000	241,273	55,995	13,901	1,128,006	0
2	Richard W. Petersen	(i)	606,243	148,000	218,657	52,879	14,161	1,039,940	0
		(ii)	0	0	0	0	0	0	0
3	Samuel Broaddus, M.D.	(i)	388,583	17,500	5,226	26,448	14,161	451,918	0
		(ii)	0	0	0	0	0	0	0
4	Mary C. Brandes, M.D.	(i)	350,000	0	3,588	15,853	3,473	372,914	0
		(ii)	0	0	0	0	0	0	0
5	Peter Bates, M.D.	(i)	417,059	58,940	50,012	24,390	13,901	564,302	0
		(ii)	0	0	0	0	0	0	0
6	Marjorie Wiggins	(i)	267,763	37,503	87,529	19,024	8,169	419,988	0
		(ii)	0	0	0	0	0	0	0
7	John E. Heye	(i)	267,777	37,780	60,920	20,270	14,161	400,908	0
		(ii)	0	0	0	0	0	0	0
8	Donald E. Quigley	(i)	0	0	0	0	0	0	0
		(ii)	252,132	34,000	25,966	20,625	13,944	346,667	0
9	Jeffrey Sanders	(i)	189,916	20,200	243	21,336	5,573	237,268	0
		(ii)	0	0	0	0	0	0	0
10	James Wilson, M.D.	(i)	493,697	489,182	4,319	101,144	13,901	1,102,243	0
		(ii)	0	0	0	0	0	0	0
11	Joseph Alexander, M.D.	(i)	718,685	251,890	4,814	8,344	13,901	997,634	0
		(ii)	0	0	0	0	0	0	0
12	Konrad Barth, M.D.	(i)	490,525	464,190	4,312	97,138	13,791	1,069,956	0
		(ii)	0	0	0	0	0	0	0
13	Jeffrey Florman, M.D.	(i)	492,820	446,881	4,006	79,330	13,944	1,036,981	0
		(ii)	0	0	0	0	0	0	0
14	Rajiv Desai, M.D.	(i)	493,638	429,102	921	74,646	12,134	1,010,441	0
		(ii)	0	0	0	0	0	0	0
15	George Higgins, M.D.	(i)	210,574	49,021	9,289	21,311	14,182	304,377	0
		(ii)	0	0	0	0	0	0	0
16		(i)							
		(ii)							

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

Part I, Line 1a - Fringe or Expense Explanation

The social club memberships, due to the restrictions of the social club, need to be individual memberships, so the Maine Medical Center CEO is named on the membership. The social clubs are used primarily for meeting space options and business functions for Maine Medical Center.

Part I, Line 4 - Severance, Nonqualified, and Equity-Based Payments

	Severance	Nonqualified	Equity-based
William L. Caron, Jr.	0	228,647	0
Richard W. Petersen	0	207,285	0
Samuel Broaddus, M.D.	0	2,827	0
Mary C. Brandes, M.D.	0	2,308	0
Peter Bates, M.D.	0	47,565	0
Marjorie Wiggins	0	83,917	0
John E. Heye	0	57,306	0
Donald E. Quigley	0	19,046	0
James Wilson, M.D.	0	3,383	0
Joseph Alexander, M.D.	0	3,383	0

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

Konrad Barth, M.D.	0	3,383	0
Jeffrey Florman, M.D.	0	3,383	0
George Higgins, M.D.	0	1,414	0

SCHEDULE K (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization: Maine Medical Center

Employer identification number: 01-0238552

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	MHHEFA Revenue Bonds, Series 2008A	01-0314384	560425W48	07/01/08	107,180,000	Refinance Bonds		X		X		X
B	MHHEFA Revenue Bonds, Series 2008B	01-0314384	560425W55	07/01/08	25,985,000	Refinance Bonds		X		X		X
C	MHHEFA Revenue Bonds, Series 2011A	01-0314384	560427LW4	08/31/11	36,535,000	Refinance Bonds		X		X		X
D												

Part II Proceeds

	A	B	C	D
1 Amount of bonds retired	105,525,000	29,775,000	38,755,157	
2 Amount of bonds legally defeased				
3 Total proceeds of issue	107,180,000	25,985,000	36,535,000	
4 Gross proceeds in reserve funds	8,840,406	2,598,500	3,259,637	
5 Capitalized interest from proceeds				
6 Proceeds in refunding escrows				
7 Issuance costs from proceeds	523,146	170,953	402,967	
8 Credit enhancement from proceeds				
9 Working capital expenditures from proceeds				
10 Capital expenditures from proceeds				
11 Other spent proceeds				
12 Other unspent proceeds				
13 Year of substantial completion	2008	2008	2011	

	A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14 Were the bonds issued as part of a current refunding issue?	X		X		X			
15 Were the bonds issued as part of an advance refunding issue?		X		X		X		
16 Has the final allocation of proceeds been made?	X		X		X			
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use

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

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		
b Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X			
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0.00 %		0.00 %		0.00 %			%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0.00 %		0.00 %		0.00 %			%
6 Total of lines 4 and 5	0.00 %		0.00 %		0.00 %			%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X			

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		
2 Is the bond issue a variable rate issue?	X		X			X		
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X		X			X		
b Name of provider	See Part V		Morgan Stanley					
c Term of hedge			3.8					
d Was the hedge superintegrated?		X		X				
e Was the hedge terminated?		X		X				
4a Were gross proceeds invested in a GIC?		X		X		X		
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?	X		X			X		
6 Did the bond issue qualify for an exception to rebate?		X		X		X		

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Schedule K - Additional Information

MHHEFA Revenue Bonds, Series 2008A

Part IV, Line 3b and 3c - The providers are Morgan Stanley and Merrill Lynch. The terms of the hedge are 25.8 years and 15.8 years, respectively.

Part III Private Business Use (Continued)

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

Part IV Arbitrage

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

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Part IV, Line 5 - Such amounts were appropriately yield restricted.

MHHEFA Revenue Bonds, Series 2008B
Part IV, Line 5 - Such amounts were appropriately yield restricted.

Part III Private Business Use (Continued)

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

Part IV Arbitrage

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

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

MHHEFA Revenue Bonds, Series 2011A

Part II, Line 1 and 3 not identical: Net Premium ($1,821,770), Principal ($260,833), Interest ($288,509), Debt Service Reserve Fund ($3,259,637)

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

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2010
Open To Public Inspection

Name of the organization
Maine Medical Center

Employer identification number
01-0238552

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

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

Part II Loans to and/or From Interested Persons.

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

	(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
(1)											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
Total				▶ $							

Part III Grants or Assistance Benefiting Interested Persons.

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

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

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 org revenues? Yes	(e) Sharing of org revenues? No
(1)	Christopher Emmons	See Part V	528,851	See Part V		X
(2)	Morris Fisher	See Part V	824,572	See Part V		X
(3)	Katherine Pope, M.D.	See Part V	5,050,335	See Part V		X
(4)	Peter Bates, M.D.	See Part V	5,050,335	See Part V		X
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Part V Supplemental Information

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

Schedule L, Part V - Additional Information

Christopher Emmons is a member of the Board of Trustees of Maine Medical Center, as well as the President of Gorham Savings Bank. Maine Medical Center has copier leases through Gorham Savings Leasing Group which is a wholly owned subsidiary of Gorham Savings Bank. All transactions were at arms length, for fair value, and in the routine course of business.

Morris Fisher is a member of the Board of Trustees of Maine Medical Center, as well as the President of The Boulos Company. The Boulos Company provides property management services to Maine Medical Center. All transactions were at arms length, for fair value, and in the routine course of business.

Katherine Pope, M.D. is a member of the Board of Trustees of Maine Medical Center and Medical Mutual Insurance Co. of Maine. Peter Bates, M.D. is an officer of Maine Medical Center and a member of the Board of Trustees of Medical Mutual Insurance Co. of Maine. Medical Mutual Insurance provides malpractice insurance to Maine Medical Center. All transactions were at arms length, for fair value, and in the routine course of business.

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.

▶ Attach to Form 990

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2010

Open To Public Inspection

Name of the organization: Maine Medical Center

Employer identification number: 01-0238552

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art	X	31	2,719	Selling Price
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications	X		198	Selling Price
5	Clothing and household goods	X		5,034	Selling Price
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded	X	23	1,231,536	Fair Market Value
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles	X	80	7,348	Selling Price
19	Food inventory	X	24	2,012	Selling Price
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (Auction Items)	X	455	44,211	Selling Price
26	Other ▶ (Medical Equipme)	X	3	54,810	Donor Documentation
27	Other ▶ ( )				
28	Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement — 29: 0

		Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b	If "Yes," describe the arrangement in Part II		
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	X	
b	If "Yes," describe in Part II		
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II		

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

Part I, Line 32b - Third Party Used to Process Noncash Contributions

An auctioneer was used during the auctions.

Part I, Line 33 - Explanation for Not Reporting Revenue

There were two contributions of stock that were received during FY11 as payments on prior year pledges. Accordingly, no additional revenue was recorded for these contributions. The two contributions are included in column (b).

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 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

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2010

Open to Public Inspection

Name of the organization
Maine Medical Center

Employer identification number
01-0238552

Form 990 - Organization's Mission or Most Significant Activities

The Maine Medical Center (the Medical Center) is a voluntary, not-for-profit community and referral hospital, dedicated to providing high quality health care services to all persons who seek care, regardless of their sex, race, religion, age, color, sexual orientation, national origin, physical or emotional disability or social or economic status. Maine Medical Center is also committed to education at the undergraduate, graduate, post-graduate and continuing education levels for physicians, nurses and allied health personnel, and in-service training for support staff all of which are essential to the delivery of quality patient care. Outreach education to other institutions and agencies is also vital to the fulfillment of the Maine Medical Center's mission. The Medical Center also supports basic and clinical research as essential to the advancement of health care at the Maine Medical Center.

Form 990, Part III, Line 4d - All Other Achievements

Laboratory, Education, Research, Radiology, Delivery and Labor Room, Anesthesiology, and other ancillary services.

Form 990, Part VI, Line 6 - Classes of Members or Stockholders

MaineHealth (EIN #01-0431680) is the sole Member of the organization.

Form 990, Part VI, Line 7a - Election of Members and Their Rights

The sole Member of the organization has the responsibility for the election of the members of the governing body.

Name of the organization: Maine Medical Center

Employer identification number: 01-0238552

Form 990, Part VI, Line 7b - Decisions Subject to Approval of Members

There are decisions by the governing body that require the approval of its sole member. They include:

1. The adoption of operating and capital budgets;
2. The approval of any significant strategic plan for programs or facilities;
3. The authorization of debt incurred, assumed, or guaranteed by the Medical Center in excess of $1,000,000 and its subsidiaries in excess of $1,000,000 other than as provided for in annual capital and operating budgets;
4. The authorization for any acquisition, disposition, organization or investment in any other corporation, partnership, limited liability company or joint venture;
5. The authorization for any sale, assignment, transfer, mortgage or encumbrance of any properties or assets having an aggregate value in excess of $1,000,000;
6. The authorization for any merger or consolidation involving the Medical Center or its subsidiaries as a constituent entity or any sale or other disposition of substantially all of the assets of the Medical Center or its subsidiaries;
7. The authorization for the institution of any bankruptcy, insolvency or reorganization proceedings;
8. The authorization for the capital investment in any individual, entity, or project in the form of cash or either tangible or intangible property in excess of $1,000,000;
9. The amendment of the Articles of Incorporation;

Name of the organization: Maine Medical Center

Employer identification number: 01-0238552

10. The selection, annual election, evaluation, and termination of the Medical Center's CEO;
11. The authorization for the commencement of litigation by the Medical Center other than routine collection actions;
12. The adoption of the Medical Center's Bylaws and any amendments and modifications to the Medical Center's Bylaws.

Form 990, Part VI, Line 11b - Organization's Process to Review Form 990

The 990 was reviewed in detail by the Executive Committee of the Board of Trustees. The 990 was also made available to the full Board of Trustees. The Board was then given an opportunity to ask questions of the Chairman of the Board, the CEO, or the Sr. Vice President for Finance & CFO. The Sr. Vice President for Finance & CFO also reviewed the 990 in detail before signing the return.

Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy

Conflicts of Interest statements are obtained annually. MaineHealth's Audit & Compliance Services Department collects and reviews the responses to these documents and addresses any issues immediately. The results are shared with Board leadership.

Form 990, Part VI, Line 15a - Compensation Process for Top Official

Maine Medical Center uses an outside firm, Sullivan Cotter, to perform an independent benchmark analysis. They meet with the Board of Trustees Executive Compensation Committee to review the CEO's benchmark report. The Executive Committee then deliberates on MMC's written salary and incentive plan philosophy and documents before making a final decision.

All decisions and meetings are captured in minutes. There is appropriate reporting at all levels.

Form 990, Part VI, Line 15b - Compensation Process for Officers

Maine Medical Center uses an outside firm, Sullivan Cotter, to perform an independent benchmark analysis. They meet with the Board of Trustees Executive Compensation Committee to review each executive benchmark report. The Executive Committee then deliberates on MMC's written salary and incentive plan philosophy and documents before making a final decision. All decisions and meetings are captured in minutes. There is appropriate reporting at all levels.

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation

Documents that are required to be open for public inspection are made available upon request.

Form 990, Part VII - Related Organizations

William Caron and Donald Quigley work an average of 50 hours per week for a related organization - MaineHealth.

Form 990, Part XI, Line 5 - Other Changes in Net Assets Explanation

Change in PV of Pooled Life and Charitable Remainder Trusts -($357,386)

Net Assets Released from Restriction - ($1,264,105)

Recognized Loss in FV of Investments - ($6,678,574)

Equity Transfer to Affiliates - ($25,792,824)

Change in Net Unrealized Loss on Cash Flow Hedge Instruments - ($757,812)

Retirement Benefit Plan Adjustments - ($50,741,590)

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete If the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Maine Medical Center

Employer identification number
01-0238552

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

	(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)						
(2)						
(3)						
(4)						
(5)						

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to 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 entity? Yes	(g) No
(1)	MaineHealth (MH) 110 Free Street 01-0431680 Portland ME 04101	Healthcare	ME	501c3	11c	N/A		X
(2)	MMC Realty 22 Bramhall Street 01-0434215 Portland ME 04102	Prop Mgmt	ME	501c3	11a	MMC	X	
(3)	Maine Mental Health Partners 123 Andover Road 26-3426990 Westbrook ME 04092	Healthcare	ME	501c3	11c	MH		X
(4)	Lincoln County Health Care, Inc. 6 St. Andrews Lane 26-1475629 Boothbay Harbor ME 04538	Healthcare	ME	501c3	11c	MH		X
(5)	Western Maine Health Care Corp 181 Main Street 01-0411788 Norway ME 04268	Healthcare	ME	501c3	11c	MH		X

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

Maine Medical Center

Employer identification number

01-0238552

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to 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 entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1) Waldo County Healthcare, Inc. P.O. Box 287 22-2864961 Belfast ME 04915-0287	Healthcare	ME	501c3	11c	MH		X
(2) Geriatric Resource Network 110 Free Street 01-0542842 Portland ME 04101	Healthcare	ME	501c3	7	MH		X
(3) Webber Hospital Assoc dba SMMC P.O. Box 626 01-0179500 Biddeford ME 04005-0626	Hospital	ME	501c3	3	MH		X
(4) HomeHealth Visiting Nurses of So ME 15 Industrial Park Drive 22-2571902 Saco ME 04072	Healthcare	ME	501c3	9	MH		X
(5) NorDx 301A US Route One 01-0511356 Scarborough ME 04074	Laboratory	ME	501c3	9	MH		X

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

Maine Medical Center

Employer identification number

01-0238552

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

	(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)						
(2)						
(3)						
(4)						
(5)						

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to 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 entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1)	Pen Bay Healthcare 4 White Street 22-2494475 Rockland ME 04841	Admin	ME	501c3	11c	MH		X
(2)								
(3)								
(4)								
(5)								

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

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispro-portionate alloc ? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)													
(2)													
(3)													
(4)													

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to 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)Maine Medical Partners (MMP) 22 Bramhall Street Portland ME 04102 01-0442142	Healthcare	ME	MMC	C	-1,820,000	22,448,000	100.000000
(2)Synernet, Inc. 110 Free Street Portland ME 04101 01-0539789	AdminServ	ME	N/A	C	N/A	N/A	N/A
(3)Maine Physician Hospital Org. 110 Free Street Portland ME 04101 01-0527540	Healthcare	ME	N/A	C	N/A	N/A	N/A
(4)MMC Clinical Services Support Corp. 22 Bramhall Street Portland ME 04102 20-3656876	AdminServ	ME	MMP	C	3,347,719	5,181,081	100.000000

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to 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 of this schedule

		Yes	No
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 or (iv) rent from a controlled entity		X
b	Gift, grant, or capital contribution to other organization(s)		X
c	Gift, grant, or capital contribution from other organization(s)	X	
d	Loans or loan guarantees to or for other organization(s)	X	
e	Loans or loan guarantees by other organization(s)		X
f	Sale of assets to other organization(s)		X
g	Purchase of assets from other organization(s)		X
h	Exchange of assets		X
i	Lease of facilities, equipment, or other assets to other organization(s)	X	
j	Lease of facilities, equipment, or other assets from other organization(s)	X	
k	Performance of services or membership or fundraising solicitations for other organization(s)		X
l	Performance of services or membership or fundraising solicitations by other organization(s)		X
m	Sharing of facilities, equipment, mailing lists, or other assets		X
n	Sharing of paid employees	X	
o	Reimbursement paid to other organization for expenses	X	
p	Reimbursement paid by other organization for expenses	X	
q	Other transfer of cash or property to other organization(s)	X	
r	Other transfer of cash or property from other organization(s)	X	

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)	Maine Medical Partners	n	26,188,270	Fair Market Value
(2)	Maine Medical Partners	o	1,784,555	Fair Market Value
(3)	Maine Medical Partners	p	19,196,870	Fair Market Value
(4)	Maine Medical Partners	q	46,918,941	Fair Market Value
(5)	Maine Medical Partners	r	3,236,608	Fair Market Value
(6)	MMC Realty	j	2,309,372	Fair Market Value

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
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 or (iv) rent from a controlled entity	1a		X
b Gift, grant, or capital contribution to other organization(s)	1b		X
c Gift, grant, or capital contribution from other organization(s)	1c	X	
d Loans or loan guarantees to or for other organization(s)	1d	X	
e Loans or loan guarantees by other organization(s)	1e		X
f Sale of assets to other organization(s)	1f		X
g Purchase of assets from other organization(s)	1g		X
h Exchange of assets	1h		X
i Lease of facilities, equipment, or other assets to other organization(s)	1i	X	
j Lease of facilities, equipment, or other assets from other organization(s)	1j	X	
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n Sharing of paid employees	1n	X	
o Reimbursement paid to other organization for expenses	1o	X	
p Reimbursement paid by other organization for expenses	1p	X	
q Other transfer of cash or property to other organization(s)	1q	X	
r Other transfer of cash or property from other organization(s)	1r	X	

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)	MMC Realty	n	181,791	Fair Market Value
(2)	MMC Realty	p	3,777,319	Fair Market Value
(3)	MMC Realty	q	2,442,630	Fair Market Value
(4)				
(5)				
(6)				

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

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

	(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
				Yes	No		Yes	No		Yes	No
(1)											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
(11)											

Part VII **Supplemental Information**

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

Maine Medical Center and Subsidiaries

Consolidated Financial Statements as of and for the Years Ended September 30, 2011 and 2010, Supplemental Consolidating Information as of and for the Year Ended September 30, 2011, and Independent Auditors' Report

MAINE MEDICAL CENTER AND SUBSIDIARIES

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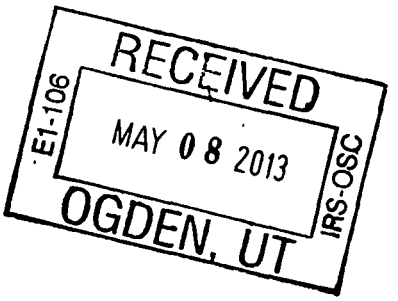
Deloitte.



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Maine Medical Center:

We have audited the accompanying consolidated balance sheets of Maine Medical Center (a subsidiary of MaineHealth) and subsidiaries (the "Medical Center") as of September 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Medical Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the consolidated financial position of the Medical Center at September 30, 2011 and 2010, and the consolidated results of its operations, consolidated changes in net assets, and consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental consolidating information for 2011 is presented for the purpose of additional analysis of the basic consolidated financial statements rather than to present the financial position and results of operations of the individual entities and is not a required part of the basic consolidated financial statements. This supplemental consolidating information is the responsibility of the Medical Center's management. Such supplemental consolidating information has been subjected to the auditing procedures applied in our audit of the basic 2011 consolidated financial statements and in our opinion, is fairly stated in all material respects when considered in relation to the basic consolidated financial statements taken as a whole.

Deloitte & Touche LLP

February 2, 2012

MAINE MEDICAL CENTER AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2011 AND 2010
(In thousands)

ASSETS	2011	2010
CURRENT ASSETS		
Cash and cash equivalents	$ 5,081	$ 18,617
Investments	215,887	250,358
Patient accounts receivable — net	67,834	65,147
Current portion of investments whose use is limited	5,716	6,344
Inventories, prepaid expenses, and other current assets	19,350	21,314
Estimated amounts receivable under reimbursement regulations	3,450	-
Current portion of notes and amounts receivable from affiliated entities	5,872	2,551
Total current assets	323,190	364,331
INVESTMENTS WHOSE USE IS LIMITED BY		
Debt agreements	3,921	4,629
Board designation	63,690	61,187
Self-insurance trust agreements	21,871	23,251
Specially designated specific purpose funds	34,403	32,412
Plant replacement funds	16,086	15,750
Funds functioning as endowment funds	88,818	90,038
Pooled life income funds	2,146	1,796
	230,935	229,063
Less current portion	5,716	6,344
	225,219	222,719
PROPERTY, PLANT, AND EQUIPMENT — Net	462,648	467,232
ESTIMATED AMOUNTS RECEIVABLE UNDER REIMBURSEMENT REGULATIONS	51,989	37,072
NOTES AND AMOUNTS RECEIVABLE FROM AFFILIATED ENTITIES — Less current portion	5,587	40
PREPAID PENSION COSTS	38,762	24,703
OTHER ASSETS	44,282	25,340
TOTAL	$ 1,151,677	$ 1,141,437

LIABILITIES	2011	2010
CURRENT LIABILITIES		
Current portion of long-term debt	$ 14,193	$ 14,409
Accounts payable and other current liabilities	30,532	32,640
Accrued payroll, payroll taxes, and amounts withheld	20,550	19,208
Accrued earned time	22,189	19,842
Accrued interest payable	319	541
Estimated amounts payable under reimbursement regulations	32,208	53,252
Self-insurance reserves	1,795	1,715
Current portion of notes and amounts payable to affiliated entities	1,249	929
Total current liabilities	123,035	142,536
ACCRUED RETIREMENT BENEFITS	231,417	180,651
SELF-INSURANCE RESERVES	15,293	15,715
LONG-TERM DEBT — Less current portion	117,209	126,555
OTHER LIABILITIES	33,321	30,498
Total liabilities	520,275	495,955
CONTINGENCIES (Note 16)		
NET ASSETS		
Unrestricted	531,808	544,228
Temporarily restricted	76,034	78,235
Permanently restricted	23,560	23,019
Total net assets	631,402	645,482
TOTAL	$ 1,151,677	$ 1,141,437

See notes to consolidated financial statements

MAINE MEDICAL CENTER AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010
(In thousands)

	2011	2010
UNRESTRICTED REVENUE AND OTHER SUPPORT:		
Net patient service revenue	$ 853,071	$ 808,533
Direct research revenue	17,832	-
Indirect research revenue	4,732	-
Other revenue	44,602	21,210
Total unrestricted revenue and other support	920,237	829,743
EXPENSES.		
Salaries	391,320	356,531
Employee benefits	117,987	102,850
Supplies	136,465	135,151
Professional fees and purchased services	106,351	87,747
Facility and other costs	30,941	19,077
State taxes	14,944	13,323
Interest	4,851	5,340
Depreciation and amortization	55,899	50,763
Provision for bad debts	39,119	40,219
Total expenses	897,877	811,001
INCOME FROM OPERATIONS	22,360	18,742
NONOPERATING GAINS (LOSSES)		
Gifts and donations, net of related expenses	4,166	4,584
Interest and dividends	12,601	10,034
Recognized loss on cash flow hedge instruments	(1,564)	(2,357)
Equity in earnings of joint ventures	3,713	2,574
Other	(527)	(4,154)
Total nonoperating gains — net	18,389	10,681
EXCESS OF REVENUE OVER EXPENSES BEFORE INCREASE IN FAIR VALUE OF INVESTMENTS	40,749	29,423
INCREASE IN FAIR VALUE OF INVESTMENTS	430	18,926
EXCESS OF REVENUE OVER EXPENSES	41,179	48,349
NET ASSETS RELEASED FROM RESTRICTIONS FOR PROPERTY, PLANT, AND EQUIPMENT	186	472
EQUITY TRANSFER TO AFFILIATES	(2,286)	(1,328)
RETIREMENT BENEFIT PLAN ADJUSTMENTS	(50,741)	(12,765)
CHANGE IN NET UNREALIZED LOSS ON CASH FLOW HEDGE INSTRUMENTS	(758)	(965)
(DECREASE) INCREASE IN UNRESTRICTED NET ASSETS	$ (12,420)	$ 33,763

See notes to consolidated financial statements.

MAINE MEDICAL CENTER AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010
(In thousands)

	2011	2010
UNRESTRICTED NET ASSETS:		
Excess of revenue over expenses	$ 41,179	$ 48,349
Net assets released from restrictions for property, plant, and equipment	186	472
Equity transfer to affiliates	(2,286)	(1,328)
Retirement benefit plan adjustments	(50,741)	(12,765)
Change in net unrealized loss on cash flow hedge instruments	(758)	(965)
(Decrease) increase in unrestricted net assets	(12,420)	33,763
TEMPORARILY RESTRICTED NET ASSETS:		
Gifts and donations	1,281	798
Interest and dividends	432	711
Realized and unrealized gains (losses) on investments	(2,107)	7,351
Change in present value of pooled life and charitable remainder trusts	(357)	404
Net assets released from restrictions for operations	(1,264)	(181)
Net assets released from restrictions for property, plant, and equipment	(186)	(472)
(Decrease) increase in temporarily restricted net assets	(2,201)	8,611
PERMANENTLY RESTRICTED NET ASSETS — Gifts and donations	541	1,430
(DECREASE) INCREASE IN NET ASSETS	(14,080)	43,804
NET ASSETS — Beginning of year	645,482	601,678
NET ASSETS — End of year	$631,402	$645,482

See notes to consolidated financial statements.

MAINE MEDICAL CENTER AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010
(In thousands)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Decrease) increase in net assets	$ (14,080)	$ 43,804
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	55,899	50,763
Provision for bad debts	39,119	40,219
Accretion of bond discounts	13	21
Equity transfers to affiliates	2,286	1,328
Equity in earnings of joint ventures	(3,713)	(2,574)
Net realized and change in unrealized loss (gain) on investments	1,677	(26,277)
Net loss on cash flow hedge instruments	2,324	3,322
Gain on sale of property, plant, and equipment	(560)	(132)
Restricted contributions and investment income	(1,897)	(3,343)
Retirement benefit plan adjustments	50,741	12,765
(Decrease) increase in cash resulting from a change in		
Patient accounts receivable	(41,806)	(51,193)
Inventories, prepaid expenses, other current assets, and prepaid pension expense	(12,070)	(19,123)
Other assets	(17,803)	(892)
Accounts payable and other current liabilities	617	8,344
Amounts receivable/payable under reimbursement regulations	(39,411)	5,926
Other liabilities	499	577
Net cash provided by operating activities	21,835	63,535
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(644,270)	(971,177)
Proceeds from the sales of investments	675,192	960,022
Distributions from joint ventures	2,500	3,150
Investment in joint ventures	-	(2,890)
Increase in notes and amounts receivable from affiliate entities	(8,548)	(867)
Purchases of property, plant, and equipment	(50,973)	(49,951)
Proceeds from sale of property, plant, and equipment	936	431
Net cash used in investing activities	(25,163)	(61,282)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of long-term debt	(28,942)	(10,364)
Proceeds from issuance of long-term debt	19,123	-
Restricted contributions and investment income	1,897	3,343
Equity transfers to affiliates	(2,286)	(1,328)
Net cash used in financing activities	(10,208)	(8,349)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,536)	(6,096)
CASH AND CASH EQUIVALENTS — Beginning of year	18,617	24,713
CASH AND CASH EQUIVALENTS — End of year	$ 5,081	$ 18,617
SUPPLEMENTAL INFORMATION:		
Interest paid on long-term debt	$ 5,077	$ 5,380
Issuance of capital leases	$ 244	$ 761

See notes to consolidated financial statements.

1. REPORTING ENTITY

Organization — Maine Medical Center and subsidiaries consists of Maine Medical Center (MMC) and its wholly owned subsidiaries which include Maine Medical Partners (MMP) and MMC Realty Corporation (MMCRC). These entities are collectively referred to as the "Medical Center." The consolidated financial statements include the accounts of MMC and its controlled subsidiaries. Upon consolidation, intercompany transactions and balances have been eliminated. MMC accounts for its interests in its controlled affiliates using the cost method of accounting.

Maine Medical Center is a wholly owned subsidiary of MaineHealth. The purpose of MaineHealth, a tax-exempt corporation, is to lead a community care network that provides a broad range of integrated health care services for populations in Maine and northern New England. Through MaineHealth's subsidiaries and affiliated organizations, the network's mission is to provide services along the full continuum of care as necessary to improve the health status of the population it serves in a cost effective manner.

MMC is a 637 bed, not-for-profit, major teaching hospital providing community and tertiary health care services. It is affiliated with the Tufts University School of Medicine undergraduate medical education program. MMC also supports clinical, translational, and bench research programs.

MMP is a multi-specialty physician group, which includes a variety of primary care and specialty disciplines. In addition to providing clinical care, the practices develop and promote educational and teaching programs and research activities.

MMCRC was formed for the purpose of acquiring, holding, managing, maintaining, developing, and disposing of real property for the benefit of and in support of MMC.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The accompanying financial statements have been presented in conformity with accounting principles generally accepted in the United States of America (GAAP) consistent with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 954, *Health Care Entities*, and other pronouncements applicable to health care organizations.

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates are made in the areas of patient accounts receivable, the fair value of financial instruments, amounts receivable and payable under reimbursement regulations, asset retirement obligations, retirement benefits, and self-insurance reserves.

Cash and Cash Equivalents — Cash and cash equivalents include investments in highly liquid debt securities with a maturity at the date of purchase of three months or less, excluding amounts classified as investments whose use is limited.

Investments — Investments are stated at fair value. The recorded value of investments in hedge funds and limited partnerships is based on fair value as estimated by management using information provided by external investment managers. As a practical expedient, the Medical Center measures the fair value of these investments on the basis of the net asset value (NAV) per share (or its equivalent). The Medical Center believes that these valuations are a reasonable estimate of fair value as of September 30, 2011 and 2010, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a market for the investments existed. Such differences could be material. Certain of the hedge fund and limited partnership investments have restrictions on the withdrawal of the funds. Investments are classified as current assets based on the availability of funds for current operations. The accounting for the pension plan assets is disclosed in Note 11. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the excess of revenue over expenses unless the income or loss is restricted by donor or law.

As provided for under ASC Section 825, *Financial Instruments*, the Medical Center made the irrevocable election to report investments and investments whose use is limited at fair value with changes in value reported in the excess of revenue over expenses. As a result of this election, the Medical Center reflects changes in the fair value, including both increases and decreases in value whether realized or unrealized, in its excess of revenue over expenses.

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

Investments Whose Use is Limited — Investments whose use is limited primarily include investments held by trustees under debt agreements, self-insurance trusts, and designated investments set aside by the Board of Trustees for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes. In addition, investments whose use is limited include investments restricted by donors for specific purposes or periods, investments restricted by donors to be held in perpetuity by the Medical Center, and the related appreciation on those investments. Amounts required to meet current liabilities of the Medical Center have been classified as current assets.

Property, Plant, and Equipment — Property, plant, and equipment are recorded at cost. The carrying value is reviewed if facts and circumstances suggest that an impairment may exist. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. The Medical Center recorded capitalized interest of $94,000 and $75,000 for the years ended September 30, 2011 and 2010, respectively.

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

Impairment of Long-Lived Assets — Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less cost to sell.

Asset Retirement Obligations — Asset Retirement Obligations (ARO) are legal obligations associated with the retirement of long-lived assets. These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, the Medical Center records period-to-period changes in the ARO liability resulting from the passage of time in interest expense and revisions to either the timing or the amount of the original expected cash flows to the related assets.

Accounting for Defined Benefit Pension and Other Postretirement Plans — The Medical Center recognizes the over funded or under funded status of its defined benefit and postretirement plans as an asset or liability in its balance sheet. Changes in the funded status of the plans are reported as a change in unrestricted net assets presented below the excess of revenue over expenses in its statements of operations and changes in net assets in the year in which the changes occur.

The measurement of benefit obligations and net periodic benefit cost is provided by third-party actuaries based on estimates and assumptions approved by the Medical Center's management. These valuations reflect the terms of the plans and use participant-specific information, such as compensation, age, and years of service, as well as certain assumptions, including estimates of discount rates, expected long term rate of return on plan assets, rate of compensation increases, interest crediting rates, and mortality rates.

Temporarily and Permanently Restricted Net Assets — Temporarily restricted net assets are those whose use by the Medical Center has been limited by donors or law to a specific time period or purpose. Permanently restricted net assets reflect the original value of gifts that have been restricted by donors to be maintained by the Medical Center in perpetuity.

Excess of Revenue over Expenses — The statements of operations include excess of revenue over expenses. Changes in unrestricted net assets which are excluded from excess of revenue over expenses, consistent with industry practice, include the effective portion of changes in the fair value of cash flow hedge instruments, permanent transfers of assets to and from affiliates for other than goods and services, pension related adjustments, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Statements of Operations — For purpose of display, transactions deemed by management to be ongoing, major, or central to the provision of health care and related services are reported as operating revenue and expenses. Peripheral or incidental transactions are reported as nonoperating gains and losses.

Net Patient Service Revenue — Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Contracts, laws, and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Free Care — The Medical Center provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its Board established free care policy. Because the Medical Center does not pursue collection of amounts determined to qualify as free care, they are not reported as net patient service revenue.

Direct and Indirect Research Revenue and Related Expenses — Revenue related to research grants and contracts is recognized as the related costs are incurred. Indirect costs relating to certain government grants and contracts are reimbursed at fixed rates negotiated with the government agencies. Research grants and contracts are accounted for as exchange transactions. Amounts received in advance of incurring the related expenditures are recorded as unexpended research grants and are included with accrued expenses. Prior to 2011, direct research revenue and related costs were reported as nonoperating activities. In 2011, the Medical Center determined those activities to be central to their mission and therefore should be reported as operating. Accordingly, in 2011 direct research revenue has been reported within unrestricted revenue and other support and the related expenses have been reported as operating expenses. In 2010, direct research revenue of $12,663,000 and related expenses of $11,922,000 were reported as nonoperating activities.

Prior to 2011, research grant revenue for indirect costs was reported as a reduction in operating expenses. In 2011, the Medical Center concluded that indirect research revenue should be reported within unrestricted revenue and other support. Indirect research revenue for the year ended September 30, 2010 was $3,477,000.

Other Revenue — Revenue, which is not related to patient medical care and which is central to the day-to-day operations of the Medical Center, is included in other revenue. In 2011 the Medical Center concluded that, commencing in 2011 certain amounts received from other entities for labor services and supplies should be reported as other revenue and not as a reduction of the related expenses. These amounts totaled $22,725,000 in 2011. The corresponding amounts reported as a reduction of operating expenses in 2010 totaled $10,751,000. In addition the Medical Center also receives grants for purposes other than research. Prior to 2011, such grant revenue and related costs were reported as nonoperating activities. In 2011, the Medical Center determined those activities to be central to their mission and therefore should be reported as operating revenue commencing in 2011. Accordingly, in 2011 this grant revenue has been reported in other revenue and the related expenses have been reported as operating expenses. In 2010, grant revenue of $4,263,000 and related expenses of $5,058,000 were reported as nonoperating activities.

Gifts and Donations — Unconditional promises to give cash and other assets to the Medical Center are reported at fair value at the date the promise is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are recognized when the conditions are substantially met. The gifts are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year received are reported as unrestricted contributions in the accompanying financial statements.

Self-Insurance Reserves — The liabilities for outstanding losses and loss-related expenses and the related provision for losses and loss-related expenses include estimates for losses incurred but not reported as well as losses pending settlement. Such liabilities are necessarily based on estimates and,

while management believes the amounts provided are adequate, the ultimate liability may be greater than or less than the amounts provided. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The methods for making such estimates and the resulting liability are actuarially reviewed on an annual basis, and any necessary adjustments are reflected in current operations.

Income Tax Status — The Internal Revenue Service (IRS) has previously determined that MMC and its subsidiaries (except MMP) are organizations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC. MMP had significant net operating loss carryovers at September 30, 2011 and 2010. A valuation allowance has been provided for the entire deferred tax benefit for the net operating losses, due to uncertainty of realization. MMP did not have taxable income in 2011 or 2010. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Recently Issued Accounting Pronouncements — In August 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-24, *Health Care Entities (Topic 954), Presentation of Insurance Claims and Related Insurance Recoveries* ("ASU 2010-24"), which clarifies that a health care entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. The provisions of ASU 2010-24 are effective for the Medical Center beginning October 1, 2011. The Medical Center has not determined the impact of ASU No. 2010-24 on its financial statements.

In August, 2010, the FASB issued ASU No. 2010-23, *Health Care Entities (Topic 954). Measuring Charity Care for Disclosure* ("ASU 2010-23"), which requires that cost be used as a measurement for charity care disclosure purposes and that cost be identified as the direct and indirect cost of providing the charity care. It also requires disclosure of the method used to identify or determine such costs. The Medical Center adopted ASU 2010-23 effective for the year ended September 30, 2011. Since ASU 2010-23 amends disclosure requirements only, its adoption did not impact the Medical Center's financial statements.

In July 2011, the FASB issued ASU No. 2011-07, *Health Care Entities (Topic 954). Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* ("ASU 2011-07"), which requires reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. It also requires enhanced disclosure about the policies for recognizing revenue and assessing bad debts, disclosures of patient service revenue, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The provisions of ASU 2011-07 are effective for the Medical Center beginning October 1, 2012. The Medical Center has not determined the impact of ASU No. 2011-07 on its financial statements.

In January 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements* ("ASU 2010-06"), which amended ASC No. 820, *Fair Value Measurements and Disclosures* ("ASC 820") to require new disclosures related to transfers in and out of Level 1 and Level 2 fair value measurements, including reasons for the transfers, and to require new disclosures related to activity in Level 3 fair value measurements. In addition, ASU 2010-06 clarifies existing disclosure requirements related to the level of disaggregation of classes of assets and liabilities and provides further detail about inputs and valuation techniques used for fair value measurement. The adoption of ASU No. 2010-06 did not have a material impact on the Medical Centers financial statements. The expanded disclosures are included in Note 6 to the financial statements.

Subsequent Events — The Medical Center has evaluated subsequent events through February 2, 2012, which is the date the financial statements were issued.

3. COMMUNITY BENEFIT PROGRAMS

As a nonprofit institution dedicated to community service, Maine Medical Center provides many services for the community in addition to its range of health care services. These include approximately 24% of all the free care delivered in Maine in 2011, an International Clinic for Portland's growing immigrant and refugee population, the AIDS Consultation Service, and the Northern New England Poison Center.

The Medical Center provides free care to anyone whose income falls below 175% of the Federal Poverty Level and also has a sliding scale beyond that to assist patients whose income is up to 225% of the Federal Poverty Level.

The Medical Center has programs designed to affect both the direct health of the community and also the overall quality of life of the community. These programs include: CarePartners, a health care program for those who cannot afford to buy insurance but are above the guidelines for government programs; the Ah! Asthma Health program, which improves the care of children with asthma; Raising Readers, a MaineHealth initiative, which aims to provide all Maine children between ages zero and five years with books; and Vocational Services programs that leverage approximately $238,000 in federal fund in 2011 to integrate people with physical and psychological disabilities into the community.

Maine Medical Center has an active teaching program that teaches medical students, resident physicians, practicing physicians, nursing students, allied health professions students, and the public. These programs are a significant source of health care manpower for the State of Maine as well as providing a higher level of patient care. The Medical Center has entered into a partnership with the Tufts University School of Medicine to train medical students focusing on Maine residents and providing them with a rural, integrated experience in order to encourage them ultimately to practice in Maine. The Medical Center provides a free Certified Nursing Assistant (CNA) program that produces much needed CNAs for healthcare providers throughout the State including the Medical Center. Maine Medical Center sponsors a number of programs from childbirth education to heart health to improve overall community health.

The research programs of Maine Medical Center Research Institute (MMCRI) are focused around three specialties: cardiovascular disease, cancer, and bone and mineral disease. Core strengths are molecular biology and genetics, outcomes and health services, cytometry, and clinical research. Research at MMCRI has a strong connection to clinical problems through a translational approach. MMCRI's goal is to apply the latest scientific advances to the problems that patients and physicians face in Maine. The state-of-the-art equipment and facilities at MMCRI enable highly technical research and provide services for other academic and research centers throughout Maine. In cooperation with the University of Maine and The Jackson Laboratory, graduate degree programs have been established to provide rigorous basic research training to students in Maine. MMCRI also provides a summer student internship to a number of pre-college and college students who are interested in an opportunity to explore biomedical research as a possible career. All of these programs are done in an effort to enhance advanced educational activities in Maine.

Most of the support for MMCRI is derived from sources outside the State of Maine. This positive flow of funds into Maine is expended on salaries and services which directly support the local economy. MMCRI produces biomedical technology that is used to develop new companies, and its scientists serve

as magnets to attract other biomedical technology companies, thereby encouraging additional local economic development.

4. NET PATIENT SERVICE REVENUE

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

Medicare — Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. Outpatient services are paid based on a prospective rate per ambulatory visit/procedure. The Medical Center is reimbursed for cost reimbursable items at an interim rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare Fiscal Intermediary.

MaineCare — Formerly called Medicaid, MaineCare is a medical assistance program offered by the State of Maine's Department of Health and Human Services. Inpatient services are reimbursed at a predetermined rate per case. Outpatient services are reimbursed at an interim rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the State of Maine.

In 2004, the State of Maine, facing significant budget deficits, passed legislation establishing several health care provider taxes ("State taxes"). The enactment of the State taxes allowed the State of Maine to add revenues to the State of Maine General Fund while minimizing the potential of lost federal matching funds in the MaineCare program. The hospital specific portion of the State taxes for 2011 and 2010 was based on a percentage of the Medical Center's net operating revenue in 2008. As a result, for the years ended September 30, 2011 and 2010, the Medical Center recorded State taxes of approximately $14,944,000 and $13,323,000, respectively. Concurrent with the implementation of the State tax, the State of Maine increased the MaineCare reimbursement rates. Management estimates that the changes in the MaineCare reimbursement rates yielded payments to the Medical Center for the years ended September 30, 2011 and 2010, of approximately $11,751,000 and $10,196,000, respectively. The net impact of the State tax and the change in reimbursement rates was a decrease in income from operations of $3,193,000 and $3,127,000 for the years ended September 30, 2011 and 2010, respectively.

In 2003, the State of Maine enacted legislation to provide affordable health insurance to small businesses and individuals and to control health care costs. This legislation became known as Dirigo Health. The law provides for the development of an affordable health care plan with sliding scale premium subsidies while further increasing access to health care coverage through the expansion of eligibility for the MaineCare program. The law also covers quality and cost containment strategies, such as the development of a State Health Plan, voluntary caps on the cost and operating margins of hospitals and insurers, and revised Certificate of Need (CON) regulations, including a Capital Investment Fund (CIF). In FY11, the CON regulations have been significantly revised, and the CIF was repealed.

In 2005, the Dirigo Health law was supplemented by additional legislation titled "An Act to Implement Certain Recommendations of the Commission to Study Maine's Community Hospitals." The law requested hospitals to voluntarily hold their consolidated operating margins to 3% and to voluntarily restrain their increases in expense per case mix adjusted discharge to less than 110% of the forecasted increase in the Centers for Medicare and Medicaid hospital services market basket index for the coming federal fiscal year. This law also addressed the jurisdiction of Dirigo Health, called for the

standardization of the reporting of hospital financial information, and established a workgroup to identify opportunities to streamline hospital administrative costs.

The balance sheets at September 30, 2011 and 2010, include amounts due from the State of Maine under the MaineCare program of $54,405,000 and $39,565,000, respectively, which represents a concentration of credit risk. Although the State of Maine's current budget does not fully provide for amounts due to the Medical Center, the amounts recorded have been determined based upon applicable regulations, and the Medical Center expects that these amounts will ultimately be paid in full. Due to the complex nature of such regulations, there is at least a reasonable possibility that recorded estimates will change by a material amount.

Non-Governmental Payors — The Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Net patient service revenue for the years ended September 30, 2011 and 2010, consists of the following (in thousands):

	2011	2010
Gross charges:		
Inpatient services	$ 271,362	$ 254,428
Inpatient ancillary services	635,865	598,718
Outpatient services	581,355	540,499
	1,488,582	1,393,645
Deductions from gross charges:		
Contractual adjustments	594,196	545,129
Free care	41,315	39,983
	635,511	585,112
Net patient service revenue	$ 853,071	$ 808,533

The Medical Center provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its Board established free care policy. Because the Medical Center does not pursue collection of amounts determined to qualify as free care, they are not reported as net patient service revenue. The Medical Center estimates the costs associated with providing charity care by calculating a ratio of total cost to total gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. The estimated cost of caring for charity care patients for the years ended September 30, 2011 and 2010 were $19,187,000 and $18,903,000, respectively. Funds received from gifts and grants to subsidize charity services provided for the years ended September 30, 2011 and 2010 were $297,000 and $253,000, respectively.

Net patient service revenue in 2011 and 2010 was increased by approximately $11,935,000 and $7,000,000, respectively, primarily as a result of favorable settlements with third-party payors regarding prior years.

5. PATIENT ACCOUNTS RECEIVABLE

Patient accounts receivable consist of the following at September 30, 2011 and 2010 (in thousands):

	2011	2010
Patient accounts receivable	$247,822	$205,748
Less:		
Allowances for contractual adjustments and advance payments from third-party reimbursing agencies	136,130	103,225
Allowances for bad debts	34,662	29,563
Allowances for free care	9,196	7,813
	$ 67,834	$ 65,147

6. FINANCIAL INSTRUMENTS

Investments and Investments Whose Use is Limited — The composition of investments and investments whose use is limited at September 30, 2011 and 2010, is set forth in the following table (in thousands):

	2011	2010
Investments (current assets)	$215,887	$250,358
Investments whose use is limited	230,935	229,063
	$446,822	$479,421
Temporary cash investments	$ 10,411	$ 11,116
Hedge funds, limited partnerships, and other	37,700	37,892
Marketable equity securities	37,424	37,478
Mutual funds	125,079	148,055
Bonds and notes	236,208	244,880
	$446,822	$479,421

Investments whose use is limited include amounts required by debt agreements and amounts restricted by donors. The Board of Trustees also segregates certain unrestricted net assets as Board designated in order to make provision for future capital improvements, to fund self-insured professional and general liability and workers' compensation risks, and to provide for other specific purposes.

Investments whose use is limited by debt agreements include debt service funds, which are comprised of semi-annual deposits to fund principal and interest payments. These investments are held pursuant to the requirements of the outstanding Revenue and Revenue Refunding Bond Indentures.

The current portion of investments whose use is limited at September 30, 2011 and 2010, is comprised of the following (in thousands):

	2011	2010
Trusteed under debt agreements	$3,921	$4,629
Trusteed self-insurance trusts	1,795	1,715
	$5,716	$6,344

Investment income and gains (losses) on investments and investments whose use is limited, cash equivalents, and other investments for the years ended September 30, 2011 and 2010, consist of the following (in thousands):

	2011	2010
Unrestricted net assets:		
Interest and dividends	$12,601	$10,034
Recognized changes in fair value	430	18,926
	13,031	28,960
Temporarily restricted net assets:		
Interest and dividends	432	711
Realized and unrealized gains (losses)	(2,107)	7,351
	(1,675)	8,062
	$11,356	$37,022

Long-Term Debt — Long-term debt as of September 30, 2011 and 2010, consists of the following (in thousands):

	2011	2010
Maine Health and Higher Educational Facilities Authority:		
Revenue refunding bonds — Series 2011A Serial Bonds; payable in various installments of principal and interest through 2030, interest rates ranging from 2.00% to 5.00%.	$15,883	
Revenue refunding bonds — Series 2011B Serial Bonds; payable in various installments of principal and interest through 2015, interest rates ranging from 1.25% to 2.30%.	2,525	
Revenue bonds — Series 2008A Revenue Bonds; payable in various installments of principal through 2036, variable rate demand obligations, the average interest rate in effect for the year ended September 30, 2011 and 2010, was 0.28% and 0.27%, respectively. The interest rate at September 30, 2011 and 2010, was 0.29% and 0.33%, respectively. Interest is set weekly by the remarketing agent and may be changed to a different period or converted to a fixed rate.	90,324	$93,059
Revenue bonds — Series 2008B Revenue Bonds; payable in various installments of principal through 2014, variable rate demand obligations, the average interest rate in effect for the years ended September 30, 2011 and 2010, was 0.28% and 0.29%, respectively. The interest rate at September 30, 2011 and 2010, was 0.29% and 0.33%, respectively. Interest is set weekly by the remarketing agent and may be changed to a different period or converted to a fixed rate.	11,102	15,352
Revenue refunding bonds — Series 2001D Serial Bonds were refunded by Series 2011B Bonds.		3,441
Revenue bonds — Series 1999A Serial Bonds were refunded by Series 2011A Bonds.		17,041
Add unaccreted original issue premium (discount)	712	(255)
Promissory note payable to a bank, interest at 5.99% with a maturity date of October 1, 2027.	2,660	2,754
Promissory note payable to a bank, interest at LIBOR plus 1% (1.23% and 1.26% at September 30, 2011 and 2010, respectively) with a maturity date of November 15, 2015.	1,330	1,602
Promissory note payable to a bank, interest at LIBOR plus 0.75% (0.98% and 1.01% at September 30, 2011 and 2010, respectively) with a maturity date of March 1, 2020.	653	729

(Continued)

	2011	2010
Promissory note payable to a bank, interest at LIBOR plus 1% (1.23% and 1.26% at September 30, 2011 and 2010, respectively) with a maturity date of March 1, 2020.	$ 1,211	$ 1,352
Promissory note payable to a bank, interest at LIBOR plus 1% (1.23% and 1.26% at September 30, 2011 and 2010) with a maturity date of March 31, 2012.	2,369	2,401
Other — including capital lease obligations	2,633	3,488
	131,402	140,964
Less portion classified as current liability	14,193	14,409
	$ 117,209	$ 126,555

Annual principal maturities of long-term debt for the five fiscal years after September 30, 2011, and the years thereafter are as follows (in thousands):

	Bonds and Notes	Capital Lease Obligations
2012	$ 11,831	$ 1,199
2013	9,642	1,062
2014	7,310	424
2015	4,525	127
2016	4,401	35
Years thereafter	90,348	
	$ 128,057	2,847
Less amount representing interest under capital lease obligations		214
		$ 2,633

The Series 2008A and 2008B bondholders have the option to put the bonds back to the Medical Center. Such bonds would be subject to remarketing efforts by the remarketing agent. To the extent that such remarketing efforts were unsuccessful, the non-marketable bonds would be purchased from the proceeds from two letter of credit agreements with a bank, which expire on October 3, 2018, and July 2, 2014, respectively. If the letter of credit agreements are not extended or replaced, the bonds must either be tendered or converted to long-term fixed rate bonds. If tendered, MMC, pursuant to the Loan Agreement, would be precluded from instructing the remarketing agent to conduct an auction with the bonds to be sold on a variable rate basis, and the bonds would be purchased from the proceeds of the letter of credit agreements. Bonds purchased from the proceeds of the letter of credit agreements are converted to "Bank Bonds" and are payable over 10 years. The Series 2008A and 2008B bonds have been classified in accordance with the repayment provisions contained in the letter of credit agreements in the accompanying balance sheets. The Series 2008A and 2008B bonds have been reported in accordance with the scheduled maturities contained in the bond agreements in the table of annual principal payments above.

If all the Series 2008A and 2008B bonds were put back to the Medical Center on September 30, 2011, and not remarketed, the required repayments of all long-term debt (excluding capital lease obligations), after giving effect to the terms of the related letter of credit agreement, would be (in thousands):

2012	$ 13,061
2013	13,394
2014	13,399
2015	12,632
2016	12,383
Years thereafter	63,188

The Board of Trustees of the Medical Center adopted a Corporate Model Master Trust Indenture (the "Indenture") and the Board of Trustees of MaineHealth adopted a Parent Model Master Trust Indenture. These actions resulted in the creation of an Obligated Group for the MaineHealth system. MaineHealth subsidiaries that are Designated Affiliates of the Obligated Group have access to lower cost capital and less restrictive debt covenants. The Designated Affiliates are indirectly liable for the debt service on the obligations issued under the Indenture for each participant. The Medical Center must remain a part of the Obligated Group but has approval authority over new subsidiaries of MaineHealth requesting participation in the Obligated Group. On September 30, 2011 and 2010, the Obligated Group has obligations totaling approximately $192,798,000 and $191,496,000, respectively, that are covered under the Master Trust Indenture. The Medical Center is indirectly liable for debt service payments on obligations of approximately $70,923,000 and $61,256,000 at September 30, 2011 and 2010, respectively.

The estimated fair values of the interest rate swap agreements at September 30, 2011 and 2010, and the change in their fair values for the years then ended are as follows (in thousands):

	Estimated Fair Value		Loss Recognized in Net Assets (Effective Portion)		Gain (Loss) Recognized in Excess of Revenue over Expenses		Outstanding Notional Amount	
Instrument	2011	2010	2011	2010	2011	2010	2011	2010
Non-hedged contracts	$(12,503)	$(10,858)	$ -	$ -	$(1,642)	$(2,303)	$ 78,154	$ 86,110
Non-hedged contracts	474	354			120	28	25,000	25,000
Hedged contracts	(3,560)	(2,760)	(758)	(965)	(42)	(82)	16,000	16,000
Total	$(15,589)	$(13,264)	$(758)	$(965)	$(1,564)	$(2,357)	$119,154	$127,110

The fair values of the interest rate swap agreements were reported in other long-term assets (liabilities). The change in fair value of the effective portion of the interest rate swap agreements that qualify for hedge accounting were reported as a change in unrestricted net assets. The change in fair value of the interest rate swap agreements that do not qualify for hedge accounting (including any ineffective portion of qualifying hedge instruments) were reported as a nonoperating activity. The Medical Center has reported the net periodic interest rate settlement on the interest rate swaps as a component of interest expense.

The primary risk managed by the Medical Center's derivative instruments is interest rate risk. The Medical Center uses interest rate swaps to modify its exposure to interest rate risk by converting a portion of its variable rate borrowings to a fixed-rate basis thus reducing the impact of interest rate changes on future interest expense. The Medical Center also uses other interest rate swaps to restructure its interest rate exposure by utilizing swaps with different maturity and basis techniques.

These interest rate, basis, and constant maturity swaps involve counterparty credit risk exposure. The counterparties are major financial institutions that met the Medical Center's criteria for financial stability and creditworthiness. In each interest rate swap agreement, the counterparty is required to provide a Credit Support Amount. If the counterparty's debt is rated below certain levels, the counterparty is required to post collateral.

Certain of the Maine Health and Higher Educational Facilities Authority Revenue Bonds and Revenue Refunding Bonds were issued under the terms of a Master Trust Indenture Agreement. Under the terms of the bonds, the Medical Center is required to maintain certain deposits with a trustee. Such deposits are included with investments whose use is limited in the financial statements. The bonds also require that the members of the Obligated Group satisfy certain measures of financial performance (including a minimum debt service coverage ratio) as long as the bonds are outstanding.

Deferred financing costs of $723,000 in 2011, and $824,000 in 2010 are reported as a component of other assets and represent the costs incurred in connection with the issuance of the bonds. These costs are being amortized over the term of the bonds. Amortization expense for the years ended September 30, 2011 and 2010, was approximately $74,000 and $76,000, respectively. The original issue discount/premium is accreted over the term of the related bonds using the effective interest method.

The Medical Center has a $15,000,000 revolving line of credit with a bank which expires in March 2012. The line is uncollateralized and shall bear interest at a per annum rate equal to one and one-half percent (1.5%) above the one month London InterBank Offered Rate (LIBOR). The interest rate on this line is limited by a floor as follows: the minimum interest rate (i.e. floor) is two percent (2%) per annum. No balance was outstanding on this line of credit at September 30, 2011.

Fair Value of Financial Instruments — GAAP establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The following tables present information as of September 30, 2011 and 2010, about the Medical Center's financial assets that are measured at fair value on a recurring basis (in thousands):

	September 30, 2011			
	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Temporary cash investments	$ 10,285	$ 126	$ -	$ 10,411
Bonds and notes				
US government and agency	79,138	26,534		105,672
Corporate		127,555		127,555
Municipal government — US		788		788
Foreign government		2,193		2,193
Total bonds and notes	79,138	157,070	-	236,208
Marketable equity securities				
Consumer discretionary	8,994			8,994
Energy	3,655			3,655
Financial services	4,514			4,514
Health care	4,127			4,127
Industrials	3,992			3,992
Information technology	7,346			7,346
Materials	2,404			2,404
Telecommunications	1,595			1,595
Utilities	797			797
Total marketable equity securities	37,424	-	-	37,424
Mutual funds:				
Equity funds	34,686			34,686
Fixed income funds	63,707			63,707
International equity funds	17,343			17,343
Closed-end international equity funds	9,343			9,343
Total mutual funds	125,079	-	-	125,079
Other funds:				
Common collective trusts		93		93
Exchange-traded funds	8,706			8,706
Hedge funds		23,293		23,293
Limited partnerships		5,608		5,608
Total other funds	8,706	28,994	-	37,700
Total	$260,632	$ 186,190	$ -	$ 446,822

	September 30, 2010			
	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Temporary cash investments	$ 11,035	$ 81	$ -	$ 11,116
Bonds and notes				
US government and agency	65,961	42,831		108,792
Corporate		122,824		122,824
Municipal government - US		6,897		6,897
Foreign government		6,367		6,367
Total bonds and notes	65,961	178,919	-	244,880
Marketable equity securities				
Consumer discretionary	9,416			9,416
Energy	4,309			4,309
Financial services	4,464			4,464
Health care	3,978			3,978
Industrials	4,177			4,177
Information technology	6,359			6,359
Materials	2,655			2,655
Telecommunications	1,674			1,674
Utilities	446			446
Total marketable equity securities	37,478	-	-	37,478
Mutual funds				
Equity funds	56,967			56,967
Fixed income funds	63,105			63,105
International equity funds	18,017			18,017
Closed-end international equity funds	9,966			9,966
Total mutual funds	148,055	-	-	148,055
Other funds				
Common collective trusts		90		90
Exchange-traded funds	8,165			8,165
Hedge funds		23,122		23,122
Limited partnerships		6,515		6,515
Total other funds	8,165	29,727	-	37,892
Total investments	$270,694	$ 208,727	$ -	$ 479,421

The following tables provide information regarding the fair value measurements of the assets held by the Medical Center's defined benefit pension plan (see Note 11) at September 30, 2011 and 2010 (in thousands):

	September 30, 2011			
	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Temporary cash investments	$ 2,214	$ 1	$ -	$ 2,215
Bonds and notes:				
Federal agency bonds	10,353	1,729		12,082
Corporate bonds		8,789		8,789
Total bonds and notes	10,353	10,518	-	20,871
Marketable equity securities:				
Consumer discretionary	14,467			14,467
Energy	6,118			6,118
Financial services	6,552			6,552
Health care	6,729			6,729
Industrials	5,958			5,958
Information technology	12,191			12,191
Materials	4,602			4,602
Telecommunications	3,039			3,039
Utilities	1,226			1,226
Total marketable equity securities	60,882	-	-	60,882
Mutual funds:				
Fixed income funds	66,281			66,281
International equity funds	40,428			40,428
Closed-end international equity funds	28,444			28,444
Total mutual funds	135,153	-	-	135,153
Other funds				
Common collective trusts		24,526	17,476	42,002
Exchange-traded funds	19,964			19,964
Hedge funds		61,176	7,297	68,473
Limited partnerships		5,718		5,718
Total other funds	19,964	91,420	24,773	136,157
Total	$228,566	$101,939	$ 24,773	$355,278

	September 30, 2010			
	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Temporary cash investments	$ 759	$ 5	$ -	$ 764
Bonds and notes:				
Federal agency bonds	8,251	6,339		14,590
Corporate bonds		13,016		13,016
Total bonds and notes	8,251	19,355	-	27,606
Marketable equity securities:				
Consumer discretionary	15,342			15,342
Energy	7,606			7,606
Financial Services	6,797			6,797
Health care	6,891			6,891
Industrials	6,195			6,195
Information technology	10,391			10,391
Materials	4,689			4,689
Telecommunications	3,217			3,217
Utilities	916			916
Total marketable equity securities	62,044	-	-	62,044
Mutual funds				
Fixed income funds	75,965			75,965
International equity funds	38,828			38,828
Closed-end international equity funds	30,347			30,347
Total mutual funds	145,140	-	-	145,140
Other funds:				
Collective trust funds		7,675	20,253	27,928
Exchange-traded funds	18,369			18,369
Hedge funds		55,994		55,994
Limited partnerships		5,440		5,440
Total other funds	18,369	69,109	20,253	107,731
Total	$234,563	$ 88,469	$ 20,253	$343,285

The Medical Center uses the following fair value hierarchy to present its fair value disclosures:

Level 1 — Quoted (unadjusted) prices for identical assets or liabilities in active markets. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 — Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in non-active markets (few transactions, limited information, non-current prices, high variability over time, etc.);

- Inputs other than quoted process that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.); and

- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 — Unobservable inputs that cannot be corroborated by observable market data.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Temporary Cash Investments — The carrying value of cash investments approximates fair value as maturities are less than three months and/or include money market funds that are based on quoted prices and actively traded.

Bonds and Notes — The estimated fair values of debt securities are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices. The debt securities classified as Level 2 were classified as such due to the usage of observable market prices for similar securities that are traded in less active markets or when observable market prices for identical securities are not available, marketable debt instruments are priced using: non-binding market consensus prices that are corroborated with observable market data; quoted market prices for similar instruments; or pricing models, such as a discounted cash flow model, with all significant inputs derived from or corroborated with observable market data.

Marketable Equity Securities — The fair values of marketable equity securities are principally based on quoted market prices.

Mutual Funds — The fair values of mutual funds are based on quoted market prices.

Common Collective Trusts — As a practical expedient, the fair value of a common collective trust is based on the net asset value (NAV) of the fund, representing the fair value of the underlying investments which are generally securities which are traded on an active market. Such investments are classified as Level 2 because the Medical Center has the ability to redeem its investment in the fund at the NAV per share (or its equivalent) at the measurement date or within the near term and there are no other potential liquidity restrictions.

Exchange Traded Funds — These funds are valued based on quoted market prices.

Hedge Funds and Limited Partnerships — The estimated fair values of limited partnerships and hedge funds, for which no quoted market process are readily available, are determined based upon information provided by the fund managers. Such information is generally based on NAV of the fund which approximates fair value. The Medical Center has classified certain of its investments reported at NAV as Level 2 because the Medical Center has the ability to redeem its investment in the fund at the NAV per share (or its equivalent) at the measurement date or within the near term and there are no other potential liquidity restrictions. Funds categorized within Level 3, are subject to a minimum holding period or lockup, are in liquidation, cannot be redeemed at the measurement date or within 90 days thereof, are subject to redemption notice periods in excess of 90 days, or have the ability to limit the aggregate amount of shareholder redemptions.

Interest Rate Swaps — The Medical Center uses inputs other than quoted prices that are observable to value the interest rate swaps. The Medical Center considers these inputs to be Level 2 inputs in the context of the fair value hierarchy. The fair value of the net interest rate swap liability was $15,589,000

and $13,264,000 at September 30, 2011 and 2010, respectively. These values represent the estimated amounts the Medical Center would receive or pay to terminate agreements, taking into consideration current interest rates and the current creditworthiness of the counterparty.

The following methods and assumptions were used by the Medical Center in estimating the fair value of the Medical Center's financial instruments that are not measured at fair value on a recurring basis for disclosures in the financial statements:

Receivables and Payables — The carrying value of the Medical Center's receivables and payables approximates fair value, as maturities are very short term.

Pledges Receivable — The current yields for one-to 10-year U.S. Treasury notes are used to discount contributions receivable. The Medical Center considers these yields to be a Level 2 input in the context of the fair value hierarchy. Pledges received during 2011 were discounted at rates ranging from .13% to 4.00% (0.27% to 4.00% in 2010). Pledges received in 2011, which have been recorded at fair value, totaled approximately $2,007,040 ($2,851,000 in 2010).

Long-Term Debt — The fair value of the bonds and notes payable is estimated based on discounted cash flow with interest at current rates based on similar issues. The fair market value of the Medical Center's long-term debt payable at September 30, 2011 and 2010, approximated the recorded value.

The following tables set forth a summary of the Medical Center's investments valued using a reported NAV at September 30, 2011 and 2010, including investments held in the Medical Center's defined benefit plan. (in thousands):

	Fair Value Estimated Using Net Asset Value per Share September 30, 2011				
Investment	Fair Value Pension	Endowment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Collective US Gov STIF (f)	$ 24,526	$ -	Monthly	None	5 days
Weatherlow Offshore Fund II Ltd (a)	17,868	6,477	Quarterly	None	45 days
Genesis (b)	17,476		Monthly	Up to 60 day settlement period	60 days
Genesis (b)		5,608	Monthly	Up to 15 day settlement period	60 days
Wellington Trust (c)	35,716	10,749	10 days	None	30 days
Nyes Ledge (e)	7,592	6,067	December 31	None	90 days
Adamas (d)	5,718		December 31	None	92 days
Avenue Strategic Partners (g)	7,297		Quarterly	5% Redemption charge for redeeming prior to the 18 month anniversary of a subscription	60 days
Total (h)	$116,193	$28,901			

Investment	Fair Value Estimated Using Net Asset Value per Share September 30, 2010				
	Fair Value Pension	Endowment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Collective US Gov STIF (f)	$ 7,675	$ -	Daily	Anytime	5 days
Weatherlow Offshore Fund II Ltd. (a)	17,101	6,205	Quarterly	No redemptions in initial	65 days
Genesis (b)	20,253		Monthly	Up to 60 day settlement period	60 days
Genesis (b)		6,515	Monthly	Up to 15 day settlement period	60 days
Wellington Trust (c)	31,230	10,798	10 days	None	30 days
Nyes Ledge (e)	7,663	6,119	December 31	No redemptions in initial 1 year holding period	90 days
Adamas (d)	5,440	-	December 31	After one full calendar year from purchase	92 days
Total (h)	$ 89,362	$ 29,637			

(a) Under a master-feeder structure the fund seeks to achieve its objective by investing all or substantially all of its assets in the Weatherlow Fund I L P. The Weatherlow Fund I L P invests predominately in limited partnerships and similar investment vehicles.

(b) The Emerging Markets Fund has been established under the Genesis Group Trust for Employee Benefit Plans, a tax-exempt pooled trust designed to permit qualified employee benefit plans and certain government plans to commingle a portion of their investment The Genesis Emerging Markets, Limited Partnership Endowment objective is to achieve capital appreciation over the medium to long term through investments in securities emerging markets. The objective of the fund is to provide participants with a broadly diversified means of investing in developing countries and immature stock markets, and thus to provide access to superior returns offered by high rates of economic and corporate growth, whilst limiting individual country risk.

(c) The Fund's objective is long-term total return in excess of a customized blended benchmark over a full business cycle. The index is defined as 40% MSCI Energy $3 B and above/15% MSCI Metals and Mining $3 B and above/25% Equal Sector Weighted S&P GSCI/and 20% Barclays Capital TIPS 1-10 Years Index.

(d) The purpose of the Partnership is to seek capital appreciation and income by investing its assets in investment pools, investment partnerships and similar entities (the Investment Funds) which in turn, invest in publicly traded equity and debt securities of United States and foreign issuers and may also invest in some illiquid investments including, but not limited to, real estate and derivatives.

(e) The Fund's investment objective is to provide investors with attractive, absolute and relative returns that exhibit moderate volatility and a low correlation to overall stock and bond markets. The Fund attempts to achieve this objective by investing primarily with a diversified group of hedge fund managers that Nyes Ledge Capital Management, LLC believes to be the best available while carefully diversifying across varying styles and strategies

(f) The Government Short Term Investment Fund seeks to provide a reasonable rate of return by investing in securities that are either issued or guaranteed by the U S. Treasury and/or U S government agencies.

(g) The Avenue U S. Strategy seeks to achieve attractive risk-adjusted returns primarily by focusing on the distressed debt and undervalued securities of U.S. companies. In addition, the Avenue U S. Strategy may invest in real estate debt or equity.

(h) There are no unfunded commitments for additional investments.

The following table presents the changes (in thousands) in fair value measurements for investments with unobservable inputs for the years ended September 30, 2011 and 2010 (in thousands):

	2011	2010
Balance — beginning of year	$ -	$11,510
Transfers to Level 2 upon adoption of ASU 2009-12	-	(11,510)
Balance — end of year	$ -	$ -
Gains (losses) attributable to the change in unrealized gains or losses relating to assets still held	$ -	$ -

The following table presents the changes in fair value measurements for the Medical Center's defined benefit pension plan investments with unobservable inputs for the years ended September 30, 2011 and 2010 (in thousands):

	2011	2010
Balance — beginning of year	$20,253	$28,310
Transfers to Level 2 upon adoption of ASU 2009-12	-	(28,310)
Transfers from Level 2 upon adoption of ASU 2009-12	-	18,651
Purchases/sales	7,600	(3,040)
Unrealized gains (losses)	(3,080)	4,642
Balance — end of year	$24,773	$20,253
(Losses) gains attributable to the change in unrealized gains or losses relating to assets still held	$ (3,080)	$ 4,642

7. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment at September 30, 2011 and 2010, consist of the following (in thousands):

	2011	2010
Land	$ 21,910	$ 21,975
Land improvements	5,729	5,729
Buildings	531,993	525,331
Equipment	294,249	269,161
Construction in progress	30,327	18,490
	884,208	840,686
Less accumulated depreciation	421,560	373,454
	$462,648	$467,232

Depreciation expense for the years ended September 30, 2011 and 2010, was approximately $55,823,000 and $50,687,000, respectively. At September 30, 2011, the remaining commitment on construction contracts approximated $5,284,000. The value of property, plant, and equipment acquisitions in accounts payable at September 30, 2011 and 2010, was approximately $655,000 and $957,000, respectively.

8. INVESTMENTS IN JOINT VENTURES

The Medical Center has investments in various joint ventures. The Maine Heart Center and the MMC Physician-Hospital Organization, Inc. ventures are physician and hospital collaborations, which manage risk and provide incentives to deliver high quality, cost effective patient care. New England Rehabilitation Hospital of Portland (NERH) is an acute care rehabilitation facility. Maine Molecular Imaging, LLC (MMI) provides mobile PET/CT imaging services. The MaineGeneral Cardiac Cath Lab, LLC provides cardiac catheterization services to the population of central Maine. The Medical Center's investments in these joint ventures are accounted for using the equity method of accounting as its ownership in each joint venture is greater than 20% and less than or equal to 50%.

Summary financial information for NERH for 2011 and 2010, consists of the following (in thousands):

	2011	2010
Percentage of ownership	50 %	50 %
Assets	$21,200	$20,427
Liabilities	14,047	14,751
Shareholders' equity	7,153	5,676
Net revenue	31,527	29,306
Operating expense	25,274	24,744
Total net earnings	6,253	4,562
MMC's share of net earnings	3,127	2,281
Charges to NERH for rent and other services	3,845	4,009

9. SELF-INSURANCE TRUSTS AND RESERVES

The Medical Center is partially self-insured for professional and general liability risks. The Medical Center shares risk above certain amounts with an insurance company for all claims related to the partially self-insured plans. The Medical Center maintains separate trusts for professional and general liability insurance. The Medical Center funds these trusts based upon actuarial valuations and historical experience. Self-insurance reserves for self-insured unpaid claims and incidents are estimated using actuarial valuations, historical payment patterns, and current trends. Self-insurance reserves are recorded in the period the claim or incident occurs and adjusted in future periods as additional data become known.

The Medical Center provides health and dental insurance for its employees through a self-insured plan administered by MaineHealth, the parent corporation of the Medical Center. For financial reporting purposes, the Medical Center is allocated its pro rata share of plan expenses based on its number of employees and dependents. Self-insurance reserves for unpaid claims and incidents are carried at MaineHealth. The difference between actual and projected plan expenses is reflected in the future premiums charged to the Medical Center by MaineHealth.

The Medical Center provides workers' compensation insurance for its employees through a self-insured plan administered by MaineHealth. Employees covered under this plan include all current employees, as well as employees with work injury claims incurred after December 31, 1995. For financial reporting

purposes, the Medical Center is charged a pro rata share based on payroll classifications. Self-insurance reserves are carried at MaineHealth for unpaid claims and settlements are estimated using actuarial valuations. Self-insurance reserves are recorded in the period the incident occurs and adjusted in future periods as additional data become known. Four claim related incidents, which occurred in 1985, 1992, 1993, and 1994, continue to be administered through the Medical Center. Self-insurance reserves for these claims are carried at the Medical Center. The amounts reserved for unpaid claims and settlements are estimated using actuarial valuations.

10. CONDITIONAL ASSET RETIREMENT OBLIGATIONS

The Medical Center has previously recognized a liability for the fair value of its conditional asset retirement obligations. The liability is related to the estimated costs to remove the asbestos contained within the Medical Center's facilities. The conditional asset retirement obligation is reported with other liabilities.

A reconciliation of liabilities for asset retirement obligations is as follows (in thousands):

	2011	2010
Asset retirement obligations — beginning of year	$ 16,220	$ 15,933
Accretion expense	571	550
Remediation	(232)	(263)
Asset retirement obligations — end of year	$ 16,559	$ 16,220

11. RETIREMENT BENEFITS

Defined Benefit Pension Plan — The Medical Center sponsors a defined benefit pension plan (the "Pension Plan") covering all employees that work 750 or more hours in a plan year. Prior to January 1, 2011, pension benefits were based on years of service and average compensation of the highest five consecutive years. Effective January 1, 2011, the Final Average Pay Plan was converted to a Cash Balance Retirement Plan with benefits determined based on age and aggregate years of service. The conversion to a Cash Balance Retirement Plan is not expected to have a material impact on the financial statements in the near term. However, the Cash Balance Retirement Plan is expected to have an enhanced portability benefit that will allow a retiring or terminating employee the option to receive a payment of, or to transfer to another plan, a lump-sum amount which represents the actuarial present value of the future stream of benefits. It is anticipated that this feature will result in lower amounts of assets and benefit obligations than the amounts that would have been required with the Final Average Pay Plan.

The Medical Center's funding policy is to contribute amounts to fund current service cost and to fund over 30 years the estimated accrued benefit cost arising from qualifying service prior to the establishment of the Medical Center's plan. The assets of the plan are held in trust and are invested in a diversified portfolio that includes temporary cash investments, marketable equity securities, mutual funds, U.S. Treasury notes, corporate bonds and notes, hedge funds, and other funds.

Defined Benefit Postretirement Medical Plan — The Medical Center offers its employees who retire from the Medical Center prior to age 65 the option to continue their participation in the Employee Health Plan until age 65. Retirees pay 100% of the cost. The retiree must terminate from the plan upon age 65 (the age for Medicare eligibility). In addition, the Medical Center offers a Retiree Group Companion Plan benefit to a limited group of employees if certain special eligibility requirements are

met. To be eligible to access this benefit, an employee must have attained age 54 with five years of pension service as of September 30, 2004, and be enrolled in the Employee Health Plan at the time of their retirement. If under 65 when retiring, the retirees must continue their enrollment in the active employee plan until they turn 65 at 100% of the active rate. The retiree may then enroll in the Retiree Group Companion Plan at age 65 once they have first enrolled in Medicare.

The activity in the defined benefit pension plan and postretirement medical plan using valuation dates of September 30, consists of the following (in thousands):

	Defined Benefit Pension Plan		Postretirement Medical Plan	
	2011	2010	2011	2010
Net periodic pension cost:				
Service cost	$ 20,796	$ 18,173		
Interest cost	25,206	24,735	$ 444	$ 455
Expected return on plan assets	(30,340)	(29,090)		
Amortization of:				
Actuarial loss	10,142	5,616	92	62
Prior service cost (credit)	(1,462)	234	(23)	(23)
Net periodic benefit cost	$ 24,342	$ 19,668	$ 513	$ 494
Change in benefit obligation:				
Benefit obligation — beginning of year	$ 489,454	$ 436,088	$ 8,675	$ 8,155
Service cost	20,796	18,173		
Interest cost	25,206	24,735	444	455
Actuarial loss	25,758	38,667	531	485
Benefits paid	(22,711)	(10,309)	(454)	(420)
Expenses paid	(826)	(968)		
Plan amendment		(16,932)		
Benefit obligation — end of year	537,677	489,454	9,196	8,675
Change in plan assets:				
Net assets of plan — beginning of year	343,542	287,161		
Actual return on plan assets	(2,862)	32,658		
Employer contribution	38,400	35,000	454	420
Benefits paid	(22,711)	(10,309)	(454)	(420)
Expenses paid	(826)	(968)		
Net assets of plan — end of year	355,543	343,542	-	-
Net amount recognized	$ (182,134)	$ (145,912)	$ (9,196)	$ (8,675)

The additional defined benefit pension plan and postretirement medical plan disclosure information for the years ended September 30, 2011 and 2010, is as follows (in thousands):

	Defined Benefit Pension Plan		Postretirement Medical Plan	
	2011	2010	2011	2010
Amounts recognized in the balance sheet:				
Prepaid pension costs	$ 38,762	$ 24,703		
Accrued retirement benefits	(220,896)	(170,615)	$(9,196)	$(8,675)
Net balance sheet at end of year	$(182,134)	$(145,912)	$(9,196)	$(8,675)
Additional information — accumulated benefit obligation	$(494,176)	$(432,393)		

Unrestricted net assets at September 30, 2011 and 2010, include unrecognized losses of $234,893,000 and $186,075,000, respectively, related to the defined pension benefit plan. Of this amount $13,084,000 is expected to be recognized in net periodic pension cost in 2012. The 2011 loss was due primarily to the 0.25% decrease in the discount rate, investment returns being lower than the expected 8%, changes in other actuarial assumptions, and variances in demographic experience compared to prior assumptions.

The following assumptions on the Pension Plan were used as of September 30, 2011 and 2010 (in thousands):

	2011	2010
Measurement date	9/30/2011	9/30/2010
Census date	1/1/2011	1/1/2010
Used to determine net periodic pension cost:		
Discount rate	5.25 %	5.75 %
Rate of compensation increase	2.00	3.75
Expected long-term rate of return on plan assets	8.00	8.00
Used to determine benefit obligation:		
Discount rate	5.00	5.25
Rate of compensation increase for 2011 and 2012	2.00	2.00
Rate of compensation increase for 2013 and after	3.00	3.50

The expected long-term rate of return on plan assets for the Pension Plan reflects the plan sponsor's estimate of future investment returns (expressed as an annual percentage) taking into account the allocation of plan assets among different investment classes and long-term expectations of future returns on each class.

The targeted allocation for the Pension Plan investments are: Debt Securities – 30%, U.S. Equity Securities – 25%, International Equity Securities – 25%, Natural Resources – 10%, and Alternative Investments – 10%. The Pension Plan's investments as of September 30, 2011 and 2010, are disclosed in Note 6.

The Pension Plan's overall financial objective is to provide sufficient assets to satisfy the retirement benefit requirements of the Pension Plan's participants. This objective is to be met through a combination of contributions to the Pension Plan and investment returns. The long-term investment

objective for the plan is to attain a total return (net of investment management fees) of at least 5% per year in excess of the rate of inflation measured by the Consumer Price Index. The nature and duration of benefit obligations, along with assumptions concerning asset class returns and return correlations, are considered when determining an appropriate asset allocation to achieve the investment objectives.

Investment policies and strategies governing the assets of the plan are designed to achieve the financial objectives within prudent risk parameters. Risk management practices include the use of external investment managers, the maintenance of a portfolio diversified by asset class, investment approach, and security holdings, and the maintenance of sufficient liquidity to meet benefit obligations as they come due.

The medical inflation assumption used for measurement purposes in the per capita cost of covered health care benefits for the Postretirement Medical Plan were 8.0% and 8.5% annual rates of increase for the years ended September 30, 2011 and 2010, respectively. These rates were assumed to gradually decrease to 5% over a period of years and remain at that level thereafter. A 1% change in the medical inflation rate would cause an approximately $1,000,000 change in the benefit obligation

The weighted average discount rates used in determining the accumulated postretirement medical benefit obligation were 5.00% and 5.25% for the years ended September 30, 2011 and 2010, respectively. The weighted average discount rates used in determining the fiscal 2011 and 2010 net periodic postretirement medical benefit cost were 5.25% for fiscal 2011 and 5.75% for fiscal 2010. As the postretirement medical plan is unfunded, no assumption was required as to the long-term rate of return on assets.

Future benefits are expected to be paid as follows for the years ended September 30 (in thousands):

	Defined Benefit Pension Plan	Postretirement Medical Plan (net of Retiree Contributions)
2012	$ 25,083	$ 600
2013	28,133	650
2014	30,373	687
2015	32,580	711
2016	36,378	761
2017–2021	228,138	4,418

The estimated expected contribution to be made during 2012 is $50,000,000.

Defined Contribution Pension Plans — The Medical Center also sponsors a 403(b) retirement plan for all employees. The Medical Center provides a 50% match of each dollar contributed by the employee up to a maximum contribution of 2% of their gross earnings. The employees are eligible to receive the employee match after one year of service. The expense recognized for the Medical Center's match was approximately $5,283,000 and $4,821,000 in 2011 and 2010, respectively.

12. NET ASSETS

Temporarily Restricted Net Assets — Temporarily restricted net assets are restricted primarily for health care services and consist of the following at September 30, 2011 and 2010 (in thousands):

	2011	2010
Donor restricted specific purpose funds	$ 5,940	$ 6,253
Accumulated appreciation on permanently restricted net assets	66,123	68,001
Plant replacement funds	602	624
Pooled life and charitable remainder trusts	3,369	3,357
	$76,034	$78,235

Permanently Restricted Net Assets — Permanently restricted net assets at September 30, 2011 and 2010, consist of investments to be held in perpetuity, the income from which is expendable primarily to support the care of patients (in thousands):

	2011	2010
Permanently restricted net assets	$23,560	$23,019

Endowment Funds — The Medical Center's endowment consists of approximately $89,683,000 of funds established for a variety of purposes. For the purposes of this disclosure, endowment funds include donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law — The Medical Center has interpreted state law as requiring realized and unrealized gains on permanently restricted net assets to be retained in a temporarily restricted net asset classification until appropriated by the Board of Trustees (the "Board") and expended. State law allows the Board to appropriate as much of the net appreciation of permanently restricted net assets as is prudent considering the Medical Center's long- and short-term needs, present and anticipated financial requirements, and expected total return on its investments, price level trends, and general economic conditions. There were no amounts appropriated in 2011 and 2010.

As a result of this interpretation, the Medical Center classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present and (b) the original value of the subsequent gifts to the permanent endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present. The remaining portion of the donor-restricted endowment fund comprised of accumulated gains not required to be maintained in perpetuity is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the donor's stipulations. The Medical Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds; duration and preservation of funds, purposes of the donor-restricted endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the Medical Center, and the investment policies of the Medical Center.

Endowment Investment Return Objectives — The Medical Center has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s), as well as Board-designated funds. Under this policy, the endowment assets are invested in a manner to attain a total return (net of investment management fees) of at least 5.5% per year in excess of inflation, as measured by the Consumer Price Index. To satisfy its long-term rate-of-return objectives, the Medical Center targets a diversified asset allocation that places a greater emphasis on equity-based investments within prudent risk constraints.

Endowment Net Asset Composition — The following is a summary of the endowment net asset composition by type of fund at September 30, 2011 and 2010, and the changes therein for the years then ended (in thousands):

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — October 1, 2009	$60,748	$21,589	$82,337
Investment return — net appreciation	7,253		7,253
Gifts, donations, and other		1,430	1,430
Endowment net assets — September 30, 2010	68,001	23,019	91,020
Investment return — net depreciation	(1,878)		(1,878)
Gifts, donations, and other		541	541
Endowment net assets — September 30, 2011	$66,123	$23,560	$89,683

Funds with Deficiencies — From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Medical Center to retain as a fund of perpetual duration. There were no material deficiencies of this nature as of September 30, 2011 or 2010.

13. CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Medical Center to concentration of credit risk consist of patient accounts receivable, estimated amounts receivable under reimbursement regulations, and certain investments. Investments, which include government and agency securities, stocks, and corporate bonds, are not concentrated in any corporation or industry. The Medical Center grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at September 30, 2011 and 2010, were as follows:

	2011	2010
Medicare	29 %	23 %
MaineCare	18	13
Anthem Blue Cross	7	7
Other third-party payors	36	45
Patients	10	12
	100 %	100 %

14. RELATED-PARTY TRANSACTIONS

For the years ended September 30, 2011 and 2010, the Medical Center charged affiliates $17,905,000 and $14,959,000, respectively, for services provided. For the years ended September 30, 2011 and 2010, MaineHealth charged the Medical Center $14,377,000 and $13,921,000, respectively, for management, legal, and audit services. For the years ended September 30, 2011 and 2010, MaineHealth charged the Medical Center $58,784,000 and $58,341,000, respectively, for health insurance (see Note 9). For the years ended September 30, 2011 and 2010, MaineHealth charged the Medical Center $2,927,000 and $3,620,000, respectively, for workers' compensation insurance (see Note 9). The Medical Center maintains an agreement with NorDx, a subsidiary of MaineHealth, to provide substantially all laboratory services. For the years ended September 30, 2011 and 2010, NorDx charged the Medical Center $21,824,000 and $20,664,000, respectively, for the laboratory services.

The Medical Center invests monies for MaineHealth and certain MaineHealth subsidiaries in commingled investment accounts. These amounts are excluded from the investments held and reported by the Medical Center.

The MaineHealth's Board of Trustees has approved $90.5 million in capital expenditures to acquire and implement an enterprise-wide software solution to include inpatient clinical information systems, financial management systems, and human resource management systems. These systems will be implemented over four years. The Medical Center's allocated portion of this expenditure is estimated at $52 million. In 2011, Maine Medical Center paid MaineHealth $18 million of its allocated portion. This payment was recorded by the Medical Center as a long term other asset. It is anticipated that the Medical Center's allocated share will be applied to the capital portion of amounts that MaineHealth will charge to the Medical Center when the systems are in use.

The following table sets forth a summary of the Medical Center's due to/from affiliated entities balances at September 30, 2011 and 2010, respectively (in thousands):

	2011		2010	
	Due to	Due From	Due to	Due From
Current:				
MaineHealth	$ 518	$ 927	$ 155	$ 219
NorDx	236		175	
Western Maine Health Care Corporation		331		102
Southern Maine Medical Center		1,091		419
Waldo County Healthcare		441		44
HomeHealth-Visiting Nurses of Southern Maine		85		26
Maine Mental Health Partners		768		417
Pen Bay Healthcare		814		-
Synernet		125		13
Lincoln County Heath Care		202		249
Other	495	1,088	598	1,062
	$ 1,249	$ 5,872	$ 929	$ 2,551
Noncurrent:				
MaineHealth	$ -	$ 5,564	$ -	$ -
Other		22		40
	$ -	$ 5,587	$ -	$ 40

15. FUNCTIONAL EXPENSES

The Medical Center provides health care services through its acute care, specialty care, and ambulatory care facilities. Expenses relating to providing these services are as follows (in thousands):

	2011	2010
Professional care of patients	$550,029	$527,370
Dietary	10,260	10,282
Household and property	37,394	37,224
Administrative services	78,458	50,360
Research	25,020	
State taxes	14,944	13,323
General services and employee benefits	81,903	76,120
Interest	4,851	5,340
Depreciation and amortization	55,899	50,763
Provision for bad debts	39,119	40,219
	$897,877	$811,001

As described in Note 2, "Direct and Indirect Research Revenue and Related Expenses," the Medical Center previously reported direct research activities as a nonoperating activity. In 2011, the Medical Center determined research activities to be central to their mission and therefore should be reported as operating activities. In 2010, direct research expenses reported as nonoperating activities were $11,922,000. Indirect and unfunded research expenses in 2010 totaled $5,621,000.

16. CONTINGENCIES

The Medical Center is subject to complaints, claims, and litigation which have arisen in the normal course of business. In addition, the Medical Center is subject to compliance with laws and regulations of various governmental agencies. Recently, governmental review of compliance with these laws and regulations has increased, resulting in fines and penalties for noncompliance by individual health care providers. Compliance with these laws and regulations is subject to future government review, interpretation, or actions which are unknown and unasserted at this time.

* * * * * *

SUPPLEMENTAL CONSOLIDATING INFORMATION

MAINE MEDICAL CENTER AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEET INFORMATION
AS OF SEPTEMBER 30, 2011
(In thousands)

ASSETS	Maine Medical Center	Maine Medical Partners	MMC Realty	Eliminations	Consolidated
CURRENT ASSETS					
Cash and cash equivalents	$ 4,668	$ 413	$ -	$ -	$ 5,081
Investments	215,887				215,887
Patient accounts receivable — net	59,643	8,191			67,834
Current portion of investments whose use is limited	5,716				5,716
Inventories, prepaid expenses, and other current assets	17,793	1,384	173		19,350
Estimated amounts receivable under reimbursement regulations	3,450				3,450
Current portion of notes and amounts receivable from affiliated entities	6,957	57	9,579	(10,721)	5,872
Total current assets	314,114	10,045	9,752	(10,721)	323,190
INVESTMENTS WHOSE USE IS LIMITED BY:					
Debt agreements	3,921				3,921
Board designation	63,690				63,690
Self-insurance trust agreements	21,871				21,871
Specially designated specific purpose funds	34,403				34,403
Plant replacement funds	16,086				16,086
Funds functioning as endowment funds	88,818				88,818
Pooled life income funds	2,146				2,146
	230,935	-	-	-	230,935
Less current portion	5,716				5,716
	225,219	-	-	-	225,219
PROPERTY, PLANT, AND EQUIPMENT — Net	429,572	1,582	31,494		462,648
ESTIMATED AMOUNTS RECEIVABLE UNDER REIMBURSEMENT REGULATIONS	51,989				51,989
NOTES AND AMOUNTS RECEIVABLE FROM AFFILIATED ENTITIES — Less current portion	5,587				5,587
PREPAID PENSION COSTS	38,762				38,762
OTHER ASSETS	33,461	10,821			44,282
TOTAL	$1,098,704	$22,448	$41,246	$(10,721)	$1,151,677

(Continued)

MAINE MEDICAL CENTER AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEET INFORMATION
AS OF SEPTEMBER 30, 2011
(In thousands)

LIABILITIES AND NET ASSETS	Maine Medical Center	Maine Medical Partners	MMC Realty	Eliminations	Consolidated
CURRENT LIABILITIES:					
Current portion of long-term debt	$ 11,451	$ -	$ 2,742	$ -	$ 14,193
Accounts payable and other current liabilities	30,186	321	25		30,532
Accrued payroll, payroll taxes, and amounts withheld	16,575	3,975			20,550
Accrued earned time	20,260	1,929			22,189
Accrued interest payable	319				319
Estimated amounts payable under reimbursement regulations	32,208				32,208
Self-insurance reserves	1,795				1,795
Current portion of notes and amounts payable to affiliated entities	10,886		1,084	(10,721)	1,249
Total current liabilities	123,680	6,225	3,851	(10,721)	123,035
ACCRUED RETIREMENT BENEFITS	231,417				231,417
SELF-INSURANCE RESERVES	15,293				15,293
LONG-TERM DEBT --- Less current portion	111,964		5,245		117,209
OTHER LIABILITIES	32,729		592		33,321
Total liabilities	515,083	6,225	9,688	(10,721)	520,275
NET ASSETS:					
Unrestricted	484,027	16,223	31,558		531,808
Temporarily restricted	76,034				76,034
Permanently restricted	23,560				23,560
Total net assets	583,621	16,223	31,558	-	631,402
TOTAL	$ 1,098,704	$ 22,448	$ 41,246	$ (10,721)	$ 1,151,677

(Concluded)

MAINE MEDICAL CENTER AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(In thousands)

	Maine Medical Center	Maine Medical Partners	MMC Realty	Eliminations	Consolidated
UNRESTRICTED REVENUE AND OTHER SUPPORT					
Net patient service revenue	$ 789,964	$ 63,107	$ -	$ -	$ 853,071
Direct research revenues	17,832				17,832
Indirect research revenues	4,732				4,732
Other revenue	53,489	21,608	6,054	(36,549)	44,602
Total unrestricted revenue and other support	866,017	84,715	6,054	(36,549)	920,237
EXPENSES					
Salaries	325,890	65,430			391,320
Employee benefits	106,799	11,188			117,987
Supplies	134,540	1,860	65		136,465
Professional fees and purchased services	114,367	4,253	577	(12,846)	106,351
Facility and other costs	26,162	26,561	1,921	(23,703)	30,941
State taxes	14,944				14,944
Interest	4,409		442		4,851
Depreciation and amortization	53,735	708	1,456		55,899
Provision for bad debts	35,729	3,390			39,119
Total expenses	816,575	113,390	4,461	(36,549)	897,877
INCOME (LOSS) FROM OPERATIONS	49,442	(28,675)	1,593	-	22,360
NONOPERATING GAINS (LOSSES)					
Gifts and other, net of expenses	4,166				4,166
Interest and dividends	12,601				12,601
Recognized loss on cash flow hedge instruments	(1,696)		132		(1,564)
Equity in earnings of joint ventures	365	3,348			3,713
Other	(527)				(527)
Total nonoperating gains — net	14,909	3,348	132	-	18,389
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE INCREASE IN FAIR VALUE OF INVESTMENTS	64,351	(25,327)	1,725		40,749
INCREASE IN FAIR VALUE OF INVESTMENTS	430				430
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	64,781	(25,327)	1,725	-	41,179
NET ASSETS RELEASED FROM RESTRICTIONS FOR PROPERTY, PLANT, AND EQUIPMENT	186				186
EQUITY TRANSFER (TO) FROM AFFILIATES	(25,793)	23,507			(2,286)
RETIREMENT BENEFIT PLAN ADJUSTMENTS	(50,741)				(50,741)
CHANGE IN NET UNREALIZED LOSS ON CASH FLOW HEDGE INSTRUMENTS	(758)				(758)
(DECREASE) INCREASE IN UNRESTRICTED NET ASSETS	$ (12,325)	$ (1,820)	$ 1,725	$ -	$ (12,420)

Maine Medical Center
FY 2011 Community Benefits Report

I. Why create a Community Benefits report?

Maine Medical Center's day-to-day operations as a tax-exempt organization include many system-wide initiatives in Cumberland County and in the state of Maine and the Northern New England region. Clinical services range from outpatient clinics for a diverse population, to full inpatient and surgical services, to a regional trauma center and a neuroscience institute; many of our services and specialties are not available elsewhere in the state or in our region. We have programs in undergraduate and continuing education, engage in clinical research, and support organizations and efforts whose missions augment or complement ours; we strive to be a good "institutional citizen" of our region and state.

With these programs, Maine Medical Center hopes to fill existing local gaps, while making a positive impact in the communities we serve. This report summarizes Maine Medical Center's community benefits efforts over the last year. The final section (VIII) will also provide a financial summary of charity care, bad debt, government-sponsored health care, and all subsidized community programs and other support.

II. Organizational Description and Information

Maine Medical Center cares for its community, educates tomorrow's caregivers, and researches new ways to provide care. We proudly carry our unique responsibility as Maine's leader in patient care, education, and research. We are dedicated to the traditions and ideals of not-for-profit health care; our care is available and accessible to all who seek it. MMC, a tertiary care hospital serving Cumberland County, the state of Maine, and Northern New England, is a member of the MaineHealth system, a family of health care and support services committed to improving the health of the communities we serve.

Under the governance of its Board of Trustees, MMC's Senior Leadership Team is responsible for the quality and safe delivery of care provided to our patients and their families.

III. Community Needs Assessment

Maine Medical Center's Board is made up of a diverse set of community members. The Board requires a thorough Community Needs Assessment on behalf of the organization, and directs the organization to analyze and respond to the current needs assessment. MaineHealth also participates in various initiatives to help support and provide updates to community needs assessment planning Some of these initiatives include:

- Clinical Strategic Planning
- Financial Strategic Planning
- Facility Planning
- Manpower Planning
- Physician Recruitment Strategic Planning
- Emergency Preparedness Planning

Along with the internal assessments, most member organizations also review and act on many of the recommendations provided by external groups such as the Maine Center for Disease Control and Prevention and the "State Health Plan" created by the Advisory Committee for Health Systems Development.

In addition, MaineHealth and its partners in the OneMaine Health Collaborative, Eastern Maine Health System and MaineGeneral Health, released the OneMaine Health Community Health Needs Assessment Report in March 2011. The report is a comprehensive compilation and analysis containing primary and secondary health data sources. The report contains a Health Status Profile for the state as a whole and for each of Maine's sixteen counties. The primary data source was a randomized telephone survey; the sampling methodology was designed to permit comparisons at the county level. Secondary data sources include numerous state and federal sources. This report provides baseline data on hundreds of health indicators that are relevant to hospitals and communities to inform planning and evaluation activities. Plans call for the Community Health Needs Assessment to be replicated every five years. MaineHealth will hold community forums in partnership with each member and affiliate hospital in order to increase understanding and use of the Community Health Needs Assessment and to inform identification and action on local, community-based health priorities

IV. Subsidized Maine Medical Center Community Programs and Other Support*

COMMUNITY HEALTH IMPROVEMENT SERVICES AND COMMUNITY BENEFIT OPERATIONS

Sagamore Village Health Center
MMC supports staff for clinics in a disadvantaged Portland neighborhood.

Portland Community Free Clinic
MMC doctors from the Emergency Medicine department volunteer at the Portland Free Clinic, providing primary care to uninsured, low-income adults.

School-based Clinics
MMC provides staff and support for clinics in several Portland Public Schools.

Sports Physicals/Training Room Coverage
The Sports Medicine division at MMC's Family Medicine Center provides physical exams and training room support for area school teams and marathons.

Sports Game Coverage
The Sports Medicine division at MMC's Family Medicine Center provides coverage for sports games at area schools.

Physician Referral Line
MMC offers the community a toll-free service to locate a primary care or specialist physician who matches the consumer's particular needs.

Tutoring
MMC provides tutoring for students who miss school due to hospitalization.

Taxi Vouchers
MMC provides taxi vouchers to patients who need transportation home.

Healthvision Web Portal
MMC offers free "Manage Your Health Online" capabilities to the general public, including a health information library, a consumer messaging suite, and health management tools for patients to manage and track their health information online and complete risk assessments.

Neuroscience Institute Various Initiatives
The Neuroscience Institute studies readmission rates and conducts leadership seminars to help leaders navigate an ever-changing healthcare environment. Family caregiver workshops and a yearly conference assist families of patients with brain tumors explore ways to live a healthy life.

Education for Southern Maine Community College (SMCC) Respiratory Care Program
The department of Respiratory Therapy provides clinical instruction for SMCC respiratory care students

Support Group for Persons with Early Dementia and Their Caregivers
The Geriatrics Department, in collaboration with the local chapter of the Alzheimer's Association, facilitates a support group for persons dealing with early stage dementia. Also, the Alzheimer's Association runs a caregivers support group. The space for both meetings is provided by MMC.

Car Seat Program
The Birth Center teaches health professionals, safety workers and families about car seat safety, and assists with community car seat fittings.

Lifeline Workplace Wellness
Lifeline offers a menu of wellness services and programs to employers interested in worksite wellness. Employers can also join the MMC Southern Maine Wellness Council, which provides opportunities for networking, resource access, and professional training.

Community Disease Risk Surveillance and Reporting
Providing advice to communities concerned with the risk of tick-borne diseases. The best example is Monhegan Island, where a decade of surveillance and tick control research lead to the removal of a burgeoning deer herd and the subsequent near disappearance of ticks and Lyme disease on the island. On a larger scale, the Vector Borne disease lab has been working for over two decades with the Maine Medical Center for Disease Control and Prevention, providing annually updated data on the distribution and infection prevalence of deer ticks in the state as well as the distribution of the vector mosquitoes of Eastern equine encephalitis and West Nile virus

HEALTH PROFESSIONS EDUCATION

MMC provides a clinical setting for medical students from a number of medical schools as they rotate through the clinical services; post-graduate training in a number of specialties, in both residencies and fellowships; rural practice settings as part of resident education and as a service to the practices; and numerous sessions in which practicing physicians can keep their knowledge current.

SUBSIDIZED HEALTH SERVICES

Outpatient Clinics
Many MMC Outpatient Clinics serve specific patient populations with services that would otherwise not be available in the community, including a Virology Treatment Center clinic that is a statewide resource to physicians caring for patients with HIV/AIDS; it also provides education and conducts clinical trials unique to the State. In addition, one afternoon a week, the International Clinic provides services to immigrants and refugees from around the world who have settled in Portland.

Behavioral Health Care
MMC is a safety-net provider of behavioral health care services.

Uncompensated Care Drug Program
MMC's Pharmacy provides free medications to qualifying MMC cancer patients and discharged patients, and patients of the Emergency Department and Brighton First Care receive 'starter packs' and some routine drugs at no charge when they are discharged.

Palliative Care Program
This program is dedicated to relieving the suffering and improving the quality of life for patients with advanced and life-threatening illnesses.

Language Line and Interpretive Services
Live and telephonic interpretation services are provided for patients who do not speak English.

Sign Language Interpreting Services
MMC provides on-site interpreters for deaf patients who use American Sign Language and offers accommodations and services for deaf and hard-of-hearing patients and family members. The coordinator trains MMC staff to better accommodate deaf and hard-of-hearing patients and, with local agencies, brings medical information to members of the deaf community.

Patient Navigators
Seven specially trained oncology nurse Clinical Patient Navigators work with patients diagnosed with cancer to ensure the patient and their family have all of the information they need to make the most informed and timely decisions about their treatment plan. MMC navigators represent all of the major tumor sites: breast, prostate/genitourinary, lower GI (colon/rectal), upper GI (liver/pancreas), gyn-onc, and thoracic (lung)/esophageal. There is also a Neurosciences Patient and Family Liaison who spends part of her time working with neuro-oncology (brain tumor) patients. MMC also pays for half of the expense of an American Cancer Society Patient Navigator who is available to help patients navigate the myriad of community support resources available as part of the cancer care process.

Northern New England Poison Center
The NNEPC serves Maine, New Hampshire, and Vermont with 24/7 toll-free telephone consultations with health care professionals and lay persons about toxic substances. MMC contributes funding to provide services that are not sufficiently supported by state or federal government, such as poison- and drug-related outreach education for health care professionals and lay persons, poison and drug-related research, surveillance for terrorism, tampering/contamination, unanticipated adverse drug events, food poisoning and other public health emergencies, and support for all-hazards preparedness and response. The in-kind

contribution includes partial salaries for clinical toxicologists, nurse certified specialists in poison information, and other staff, as well as employee benefits and operating overhead.

Maine Medical Partners
MMC supports mission-critical physician practices to ensure coverage for the community in such specialties as trauma surgery, neurosurgery, various pediatric specialties, and high-risk obstetrics.

RESEARCH

The Maine Medical Center Research Institute is the largest hospital-based biomedical research facility in northern New England. Many clinicians author scholarly work or participate in various studies and research activities, and the Institute offers a summer student program.

CASH AND IN-KIND CONTRIBUTIONS

Contributions
MMC makes carefully selected contributions to other nonprofit organizations whose activities augment or complement MMC's mission. Significant contributions went to the American Heart Association, the Maine Cancer Foundation, the NAACP, Ronald McDonald House, and Maine Citizens against Handguns.

Medical Professionals Health Program
MMC donated $20,000 to the Medical Professionals Health Program, a service of the Maine Medical Association, which advocates for medical professionals in substance abuse recovery and helps implement strategies for return to safe practice.

LifeFlight Foundation
MMC has made significant contribution to the LifeFlight Foundation of Maine, which provides helicopter ambulance service to the entire State.

Charles A. Dana Health Education Center & East Tower Classrooms
The classroom facilities of the Dana Center and the East Tower are available free of charge to external groups who have MMC sponsors. Regular users include Alcoholics Anonymous, the National Alliance for the Mentally Ill, HOPE, etc.

United Way
MMC makes a contribution to the Greater Portland obesity initiative and supports the annual United Way campaign.

Biddeford High School Scholarship
A scholarship is given to graduating Senior at Biddeford High School going into a Healthcare field.

Family Medicine Education Consortium
MMC provides funds for scholarships to the Family Medicine Education Consortium.

COMMUNITY SUPPORT (COMMUNITY BUILDING ACTIVITIES)

Chambers of Commerce: Portland Regional & Maine State
MMC is a dues paying member of both organizations.

Disaster Preparation
MMC is deeply involved in disaster planning at the local and State levels. One of three state Regional Resource Centers for Emergency Preparedness is located at MMC, and the hospital has a full-time Director of Emergency preparedness.

Salvation Army Volunteering
Employees help the Salvation Army with holiday gift donations for families in need.

Clinical Pastoral Education
Placement of pastoral care students in community agencies one day per week during the summer, including outpatient cancer, Preble Street, nursing homes and Seafarers.

Mini Medical School
MMC's Mini Medical School is a week-long summer program, which offers Maine college students a series of lectures, hands-on activities, and clinical experiences designed to demonstrate what a career in medicine is all about.

CNA Training Program
MMC provides a program to train CNAs.

Surgical Tech Training Program
MMC conducts a training program for surgical technicians.

Maine Medical Center's Aggregate "Net Community Benefit Investment"	=	**$65,383,161**

* In addition to the aforementioned programs, Maine Medical Center provides its proportional share of support for the annual budget of the following programs, through both "member dues" and "fund balance transfers". While all member organizations may not participate directly in the following initiatives, all members provide some level of financial support to help sustain and grow these MaineHealth programs

Clinical Integration

AMI/PERFUSE Program – The AMI/PERFUSE program helps caregivers provide the highest quality care and achieve the best possible outcomes for patients who experience an acute myocardial infarction – regardless of the patient's point of entry into the MaineHealth system. A network of providers ensures that heart attack patients receive timely, evidence-based treatment.

Asthma and Chronic Obstructive Pulmonary Disease – AH! Asthma and COPD programs work to adopt quality measures that reflect evidence-based guidelines. The programs provide training and education about lung health treatment, medications and devices. The development of patient and provider education material is a key component of program efforts. Asthma educators throughout the system provide one on one support to patients and families.

Diabetes – The TARGET Diabetes Program helps improve care and outcomes for people with Type 1 and Type 2 diabetes and increases awareness of diabetes. The program encourages the adoption of quality measures that reflect evidence-based guidelines. Patient and provider education and training are key components of program efforts

Emergency Medicine – The Emergency Medicine Program improves the quality of care received by patients in the emergency departments of MaineHealth member and affiliate hospitals. The program works to streamline processes and to effectively meet the acute medical needs of patients in the ED. Program staff provide training to emergency medical personnel and work with ambulance services to inform the care provided before patients arrive at the hospital.

Heart Failure – The Heart Failure Program improves health outcomes for patients with heart failure by promoting best practices in care at MaineHealth hospitals and across all care settings. The program supports a comprehensive, integrated approach for patients and their families as they move from one care environment to another.

Hospital Medicine - The Hospital Medicine Program builds relationships with hospitalists across the system and gathers monthly to share ideas, discuss challenges, and identify opportunities and solutions. Members collaborate on specific initiatives by gathering interdisciplinary groups.

Infection Prevention – The Infection Prevention Program works to reduce infection rates, improve outcomes for patients and decrease preventable hospitalizations across the MaineHealth system. The program aims to reduce hospital-acquired infections through improved hand hygiene compliance.

Mental Health Integration – The Mental Health Integration Program works to improve patient care by bringing mental health clinicians into medical settings, and by improving the collaboration between medical and mental health providers. The goal of the program is to help people get effective and efficient care for mental and behavioral health problems.

Oncology - The Oncology Program promotes high quality oncologic care across the system, ensuring easy access and effective transitions among specialists and locations. The program provides screening and treatment guidelines to clinicians, provides patient education materials to patients, improves awareness of clinical trials, improves access to genetic services and improves the overall delivery of cancer care.

Palliative Care - The Palliative Care Program promotes palliative care across the system. The initiative includes clinician education about palliative care including identification of patients who may benefit from palliative care, provision of palliative services for complex medical conditions, addressing ethical issues and engaging patients in discussing goals of care. The program promotes the use of Physician Orders for Life Sustaining Treatment (POLST) within each MH institution as well as community based advance directive/care planning.

Pharmacy and Therapeutics - The Pharmacy and Therapeutics Program works to improve outcomes of patients in the MaineHealth system by reducing variations in care and promoting best practices. The program seeks to coordinate purchasing and performance initiatives in MaineHealth hospitals.

Pre-Hospital Care/Emergency Medical Services - The program works with hospital emergency medical service medical directors to support obligations in education, quality management and case follow-up. The program also works to standardize the quality improvement process of difficult calls and procedures and to provide educational opportunities and credits for emergency medical technicians to maintain licensure

Preventive Health - The Preventive Health Program works to deliver consistent, high-quality, preventive healthcare across the MaineHealth region for adults and children by providing best-

practice, evidence-based tools and support to primary care practice teams. The purpose is to provide a preventive health focus for patients and providers that helps to reduce the prevalence and severity of chronic disease.

Stroke - The goal of the Stroke Program is to improve care for stroke patients who arrive at MaineHealth member and affiliate hospitals within three hours of symptom onset. The program aims to standardize stroke care across the continuum of providers within the MaineHealth system by using evidence-based guidelines to improve outcomes for stroke patients.

Surgical Quality Collaborative – The goal of the MaineHealth Surgical Quality Collaborative is to create a collaborative encompassing surgical and quality staff from system hospitals to foster learning, measure improvement, and use empirical data to improve the quality, safety and value of surgical care.

Telehealth - The Telehealth Program works to improve the health status of our communities by integrating, advancing and optimizing the use of telehealth technologies. Current telehealth technologies include connections between hospitals, such as bringing specialists to rural areas, connecting providers to patients' homes and remote monitoring of patients in critical care units in most MaineHealth hospitals.

Transitions of Care - The Transitions of Care Program works to ensure that patients receive excellent care throughout the transition from hospital to home and to community-based providers. The program works to improve patient outcomes and reduce unnecessary readmissions by supporting best practices for provider follow-up visits, coordinating medications, patient and family education, and enhancing the communications critical for excellent care once the patient leaves the hospital.

Health Status Programs

Healthy Weight Initiative – This initiative targets both children and adults in the community. The key parts of the initiative include clinical, community, and environmental/policy interventions. MaineHealth's financial support for this initiative recognizes the importance of preventing obesity as a major driver of health care costs, a major risk factor for chronic diseases, and a well-documented community epidemic.

OneMaine Health Community Health Needs Assessment – As described earlier in Section III of this report, MaineHealth was one of three health system partners involved in the conduct of a statewide Community Health Needs Assessment. All of the results and data involved in this analysis are publically available as a resource for any interested parties. MaineHealth was responsible for 42.5% of the total cost of this project.

Child Health Program - The Child Health program is focused on increasing rates of child immunizations within the MaineHealth system and statewide through clinical, community and policy interventions. The program's vision is to create an effective, outcomes-based strategy that engages health professionals and provider organizations, community partners, family members, and local and state government, resulting in Maine being ranked number one in New England for child immunizations by 2016. Amid evidence of increased vaccine refusal and delay in our communities, MaineHealth's financial support for this program underscores the importance of vaccinations as the most cost-effective health prevention activity for children.

Community Education Programs

MaineHealth Learning Resource Centers – With four locations in Maine, the LRCs provide patients, health care providers, and community members with easy access to quality health information and a wealth of educational reference material. In addition, the LRCs offer the public over 100 unique classes taught by professionals (e g. healthy cooking, yoga, chronic disease self-management, cancer prevention, and mental health awareness).

Parkinson's Information and Referral Center – The Center is a primary resource for people with Parkinson's disease, as well as their families and healthcare providers. Assistance includes "patron requests" for information, direct physician referrals, educational outreach to health care facilities, coordinating support groups, and specialized classes for newly-diagnosed individuals.

Access to Care Programs

CarePartners – The program arranges the provision of donated healthcare services for low income uninsured Mainers in Cumberland, Kennebec, Lincoln, and Waldo Counties. CarePartners also provides administrative support to help serve the target population, including comprehensive eligibility assessment, care management, and access to low cost or free pharmaceuticals.

MedAccess – The program provided access to approximately $5.3 million of free medications in FY11. CarePartners provides this community resource to uninsured and underinsured community members through the Patient Assistance Programs (PAPs). In addition to this service, MedAccess offers application assistance for other prescription access programs (Medicare Part D, etc), local low-cost generic programs, and other state and federal programs either in-person or through a toll-free number.

Partnership for Healthy Aging

PHA leads the implementation of evidence-based prevention programs for older adults (Living Well, A Matter of Balance, EnhanceWellness, EnhanceFitness, Healthy IDEAS) throughout Maine. The efforts of Elder Care Services focus upon improving transitions, prevention, and quality across the care continuum. Initiatives include Care Transitions coaching, Community Links, and Falls Prevention Tools for providers and patients.

VitalNetwork

The enhanced-ICU (E-ICU) initiative allows audio/video patient monitoring to coincide with real time display of information trend and condition changes. The system is staffed by expert ICU Physicians and Nurses in a central station, allowing enhanced remote monitoring of patients in multiple locations. Similar systems have been proven to reduce ICU mortality by 25%. MaineHealth was the first healthcare system in New England to implement the e-ICU program.

V. Billing and Collection Practices

Maine Medical Center charges all patients the same price for the same services regardless of payor source. Individuals are not required to pay or to make arrangements to pay prior to the services being provided. On average, the first bill is sent to a patient seven days after services are

provided. After that initial billing date, and after all insurances have paid on that account, the patient has 30 days to pay their portion of the bill for those services. Before collection action is taken by MMC, four notices will be sent to patients informing them of their lack of proper payments and continued attempts will be made to communicate with them about a solution.

In the absence of either full payment or a patient's attempts to communicate in order to resolve the situation, which may include the patient's agreement to enter into a monthly payment program, MMC does use a responsible and professional collection agency if necessary. A bill will become classified as "bad debt" once it has been assigned to our collection agency. If the balance is paid in full within 90 days of placement with our collection agency, it is not reported on their credit file. MaineHealth hospitals may pursue legal action for collecting an outstanding bill only with prior Board approval. MMC's Board has not voted to pursue such legal action in, at the minimum, the past 16 years.

VI. Charity Care Policies

Maine Medical Center's policy of charity care and financial assistance is easily understood, prominently posted, and publicly available. A process exists for offering charity care or financial assistance to patients who are unable to pay both before and after services have been rendered and they have been billed. In addition to monitoring collection practices, copies of the charity care policy are made available to patients at all entry points (Registration, Emergency, etc.) and with bill/collection notices. The organization uses simple application procedures as defined by the State of Maine Department of Health and Human Services for charity care or financial assistance that do not intimidate or confuse applicants.

Maine Medical Center's employees who work in Admitting, Billing, Accounts Receivable, or Patient Services are fully informed and educated about all financial assistance policies. These staff members identify unpaid bills where persons are unable to pay, and separate these potential 'charity care' bills from other bad debt accounts.

Maine Medical Center provides 100% free care to our patients who are at or below 175% of the Federal Poverty level. We also provide additional discounted care on an income-based sliding scale program for patients who are between 176% and 225% of the Federal Poverty level.

VII. Good Governance and Executive Compensation Policies

Good Governance

Maine Medical Center has a Board of 27 community members, a majority of whom are not practicing physicians, officers, department heads, or other employees with a financial connection or otherwise affiliated with the organization itself. The Board meets 11 times a year (on average), and has a written "conflict of interest" policy in place. The Board understands the specific mission of the organization, and approves strategic planning initiatives aimed at carrying out this mission. Trustees understand their fiscal and other specific responsibilities while serving on the Board, and further education/information is provided to Board members if requested. Trustees and executive officers of Maine Medical Center do not receive loans on behalf of the organization. The organization ensures that a substantial part of its activities does not involve attempts to influence legislation, and that it will not take an official position or provide direct support for or against a political candidate. Moreover, in addition to the CEO, CFO, or both

officially signing off on Maine Medical Center's yearly 990 and audited financial statements, the Board of Trustees must also have final approval of the yearly audited financial statements. The Board has also adopted and maintains a corporate compliance program that includes a Code of Conduct for all staff education and training, monitoring for compliance, and a Helpline for staff to call, all intended to produce continual compliance with organizational policies and the law.

Executive Compensation

Maine Medical Center has a formal written compensation policy in place. In consultation with Sullivan Cotter and Associates, the MaineHealth Board Compensation Committee establishes appropriate compensation parameters for each member organization's CEO and certain members of their Senior Management team. Working within those parameters, the organization's Board determines the level of compensation for its CEO. The findings of the Compensation Committee are made transparent to, and voted on by, the full Governing Board. This "total executive compensation" is filed publicly by the organization, and includes "total cash compensation" and "total value of all benefits and perquisites associated with position (such as housing allowances, social club memberships, signing bonuses, etc.)". The Board takes necessary action to prevent the CEO from voting or directly participating in the final Committee determination of his own compensation. The organization's executive compensation procedure relies upon appropriate data for comparability (e.g. compensation levels paid by both taxable and tax-exempt similarly situated organizations and independent compensation surveys by nationally recognized independent firms). Finally, the organization refrains from allowing executive compensation to ever be based solely on Maine Medical Center's revenues or other similar profit-sharing strategies.

VIII. Aggregate Financial Data

Maine Medical Center's Community Benefits Summary ***

1. Charity care (at cost)		$18,086,005
2. Bad debt (at cost)		$16,307,602
3. Government-sponsored health care (shortfall) - Unpaid cost of Medicare, MaineCare, and other hospital-specific indigent care programs		$59,349,406
4. Net Community Benefit Investment Programs (net expense), e.g.		$ 65, 383, 161
- Palliative Care Program	- Patient Navigators	
- Uncompensated Care Drug Program	- Sagamore Village Health Center	
- Interpreter Services	- Northern New England Poison Center	
Total Value of Quantifiable Benefits Provided to the Community		**$159, 126,174**

*** Form created based on AHA guidelines