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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 10-01-2010 and ending 09-30-2011

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

C Name of organization
NORTHEAST HOSPITAL CORPORATION

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
85 HERRICK ST

City or town, state or country, and ZIP + 4
BEVERLY, MA 01915

D Employer identification number
04-2121317

E Telephone number
(978) 922-3000

G Gross receipts $ 324,805,721

F Name and address of principal officer
GARY MARLOW
85 HERRICK ST
BEVERLY, MA 01915

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW BEVERLYHOSPITAL ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1893

M State of legal domicile MA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
COMMITTED TO PROVIDING THE HIGHEST QUALITY MEDICAL CARE TO ALL INDIVIDUALS WHO CAN BENEFIT FROM OUR CONTINUUM OF CARE OUR CONCEPT OF CARE BROADLY EMBRACES THE HEALTH, WELL-BEING AND DIGNITY OF THE PATIENTS WE SERVE, REGARDLESS OF ABILITY TO PAY

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**	26
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	19
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	2,904
6	Total number of volunteers (estimate if necessary)	**6**	350
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	4,645,553
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	4,414,557	1,075,912
9	Program service revenue (Part VIII, line 2g)	313,952,825	306,876,005
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,717,755	2,608,025
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,231,582	7,468,927
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	323,316,719	318,028,869
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	11,206	28,000
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	192,200,815	187,953,794
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶957,179		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	124,658,256	123,878,772
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	316,870,277	311,860,566
19	Revenue less expenses Subtract line 18 from line 12	6,446,442	6,168,303

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	338,522,276	330,792,542
21	Total liabilities (Part X, line 26)	215,570,149	229,120,289
22	Net assets or fund balances Subtract line 21 from line 20	122,952,127	101,672,253

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 — Date: 2012-08-10

GARY MARLOW VP OF FINANCE
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶ ☐	PTIN
		2012-08-14		

Firm's name ▶ | Firm's EIN ▶

Firm's address ▶ | Phone no ▶

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

COMMITTED TO PROVIDING THE HIGHEST QUALITY MEDICAL CARE TO ALL INDIVIDUALS WHO CAN BENEFIT FROM OUR CONTINUUM OF CARE OUR CONCEPT OF CARE BROADLY EMBRACES THE HEALTH, WELL-BEING AND DIGNITY OF THE PATIENTS WE SERVE, REGARDLESS OF ABILITY TO PAY

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 126,273,901 including grants of $ 28,000) (Revenue $ 156,506,763)

INPATIENT SERVICES - NORTHEAST HOSPITAL CORPORATION (NHC) IS A NON-PROFIT COMMUNITY HOSPITAL PROVIDING HIGH QUALITY CARE TO THE SICK AND INJURED, REGARDLESS OFTHE ABILITY TO PAY INPATIENT CARE IS AVAILABLE IN THE AREAS OF CRITICAL CARE, GENERAL MEDICINE, SURGERY, MATERNITY/OBSTETRICS, NEWBORN SPECIAL CARE,PEDIATRICS AND PHYSCHIATRY IN FY 2011, THE HOSPITAL HAD APPROXIMATELY 22,000 INPATIENT ADMISSIONS

4b (Code) (Expenses $ 92,897,927 including grants of $) (Revenue $ 125,819,162)

OUTPATIENT SERVICES - THE HOSPITAL PROVIDES A COMPREHENSIVE RANGE OF OUTPATIENT SERVICES, PROVIDING HIGH QUALITY CARE TO THE SICK AND INJURED, REGARDLESS OF THE ABILITY TO PAY, INCLUDING (BUT NOT LIMITED TO) CARDIOLOGY, ONCOLOGY, RADIOLOGY, GERIATRICS, WOMAN'S HEALTH, REHABILITATION, ENDOSCOPY, MAMMOGRAPHY AND CARDIOPULMONARY SERVICES THE HOSPITAL PROVIDED APPROXIMATELY 2 MILLION IN UN-REIMBURSED MEDICAID SERVICES DURING THE YEAR IN FY 2011, THE HOSPITAL HAD APPROXIMATELY 415,000 OUTPATIENT ENCOUNTERS

4c (Code) (Expenses $ 19,027,987 including grants of $) (Revenue $ 24,550,080)

EMERGENCY ROOM - THE HOSPITAL HAS A 24 HOUR EMERGENCY ROOM, PROVIDING HIGH QUALITY CARE TO THE SICK AND INJURED, REGARDLESS OF THE ABILITY TO PAY IN FY2011, THE HOSPITAL HAD APPROXIMATELY 63,000 EMERGENCY ROOM VISITS

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses ▶ $ 238,199,815

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	440		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	2,904		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a Yes	
b	If "Yes," enter the name of the foreign country ▶BD See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c	
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g	No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h	No
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b	

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	26		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	19		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Does the organization have members or stockholders?		6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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

☐ Own website ☑ Another's website ☑ Upon request

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

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

NORTHEAST HOSPITAL CORP
85 HERRICK ST
BEVERLY, MA 01915
(978) 922-3000

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								5,089,070	802,790	534,416

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 ▶ 19

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
NORTHEAST EMERGENCY ASSOCIATIONS 1342 BELMONT ST SUITE 205 BROCKTON, MA 02301	ER DOCTORS	7,087,972
FULL CONTACT ADVERTISING 186 LINCOLN ST SUITE 801 BOSTON, MA 02111	ADVERTISING	1,656,670
ESSEX COUNTY OB 83 HERRICK ST SUITE 3002 BEVERLY, MA 01915	OB HOSPITALISTS	756,580
DONALD PADRE PO BOX 1511 GLOUCESTER, MA 01931	MAINTENANCE	180,704
WILL & EMERY MCDERMOTT PO BOX 7247-6743 PHILADELPHIA, PA 19170	LEGAL SERVICES	144,807

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 13

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c	28,165			
	d Related organizations	1d				
	e Government grants (contributions)	1e	92,800			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	954,947			
	g Noncash contributions included in lines 1a-1f $		57,091			
	h **Total.** Add lines 1a-1f			1,075,912		
Program Service Revenue		Business Code				
	2a NET PATIENT SERVICE REVENUE			306,876,005	306,876,005	
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f			306,876,005		
	3 Investment income (including dividends, interest and other similar amounts)			127,185	127,185	
	4 Income from investment of tax-exempt bond proceeds			1,581,190	1,581,190	
	5 Royalties					
		(i) Real	(ii) Personal			
	6a Gross Rents	419,351				
	b Less rental expenses	569,782				
	c Rental income or (loss)	-150,431				
	d Net rental income or (loss)			-150,431	-150,431	
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	7,040,789	40,687			
	b Less cost or other basis and sales expenses	6,013,613	168,213			
	c Gain or (loss)	1,027,176	-127,526			
	d Net gain or (loss)			899,650	899,650	
Other Revenue	8a Gross income from fundraising events (not including $ 28,165 of contributions reported on line 1c) See Part IV, line 18	a	43,360			
	b Less direct expenses	b	25,244			
	c Net income or (loss) from fundraising events			18,116		
	9a Gross income from gaming activities See Part IV, line 19	a				
	b Less direct expenses	b				
	c Net income or (loss) from gaming activities					
	10a Gross sales of inventory, less returns and allowances	a				
	b Less cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
	Miscellaneous Revenue	Business Code				
	11a LAB SSI INCOME	900099		4,589,729		4,589,729
	b CAFETERIA SALES			1,552,114	1,552,114	
	c OTHER OPERATING INCOME			952,585	952,585	
	d All other revenue			506,814	450,990	55,824
	e **Total.** Add lines 11a–11d			7,601,242		
	12 **Total revenue.** See Instructions			318,028,869	312,289,288	4,645,553

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	28,000	28,000		
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	3,221,870		3,221,870	
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	152,424,011	128,253,217	24,170,794	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,625,402	6,283,381	1,342,021	
9	Other employee benefits	14,821,557	12,213,059	2,608,498	
10	Payroll taxes	9,860,954	8,125,490	1,735,464	
a	Fees for services (non-employees) Management				
b	Legal	395,695		395,695	
c	Accounting	207,800		207,800	
d	Lobbying	38,602		38,602	
e	Professional fundraising services *See Part IV, line 17*				
f	Investment management fees	73,034		73,034	
g	Other				
12	Advertising and promotion	525,351		525,351	
13	Office expenses	64,887,565	39,581,415	25,306,150	
14	Information technology	2,513,293	1,533,109	980,184	
15	Royalties				
16	Occupancy	6,134,052	3,741,772	2,392,280	
17	Travel	531,547	324,244	207,303	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	2,359,497		2,359,497	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	17,098,418	10,430,035	6,668,383	
23	Insurance	745,246	454,600	290,646	
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	NON-EMPL HEALTHCARE WRKRS	15,482,117	15,482,117		
b	PROVISION FOR BAD DEBT	9,283,019	9,283,019		
c	UNCOMPENSATED CARE	2,466,357	2,466,357		
d	ALL OTHER EXPENSES	957,179			957,179
e	UNRELATED BUSINESS TAX	180,000		180,000	
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	311,860,566	238,199,815	72,703,572	957,179
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		12,998,561	2	16,308,589
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		33,644,956	4	30,899,488
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		5,822,168	8	5,885,327
	9	Prepaid expenses and deferred charges		6,170,220	9	5,545,326
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 373,373,458			
	b	Less accumulated depreciation	10b 228,229,635	149,982,766	10c	145,143,823
	11	Investments—publicly traded securities		114,770,679	11	111,462,363
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		15,132,926	15	15,547,626
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		338,522,276	16	330,792,542
Liabilities	17	Accounts payable and accrued expenses		26,587,174	17	29,639,204
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		108,243,271	20	102,332,998
	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		386,996	23	339,758
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		80,352,708	25	96,808,329
	26	**Total liabilities.** Add lines 17 through 25		215,570,149	26	229,120,289
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		105,186,524	27	85,253,000
	28	Temporarily restricted net assets		7,638,317	28	6,528,093
	29	Permanently restricted net assets		10,127,286	29	9,891,160
		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		122,952,127	33	101,672,253
	34	Total liabilities and net assets/fund balances		338,522,276	34	330,792,542

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	318,028,869
2	Total expenses (must equal Part IX, column (A), line 25)	2	311,860,566
3	Revenue less expenses Subtract line 2 from line 1	3	6,168,303
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	122,952,127
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-27,448,177
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	101,672,253

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORPORATION

Employer identification number
04-2121317

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Additional Data

Software ID:
Software Version:
EIN: 04-2121317
Name: NORTHEAST HOSPITAL CORPORATION

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
KENNETH HANOVER PRESIDENT/TR	38 00	X		X				510,207	274,727	32,608
GREGORY BAZYLEWICZ MD TRUSTEE	2 00	X						0	82,385	0
NANCY PALMER CHAIRWOMAN	2 00	X						0	0	0
DAVID DICHIARA MD TRUSTEE	2 00	X						0	0	0
CHARLES FURLONG TRUSTEE	2 00	X						0	0	0
ROBERT IRWIN TRUSTEE	2 00	X						0	0	0
PAUL MCCONNELL TRUSTEE	2 00	X						0	0	0
MARC MEICHES TRUSTEE	2 00	X						0	0	0
HEATON ROBERTSON TRUSTEE	2 00	X						0	0	0
KATE BARRAND TRUSTEE	2 00	X						0	0	0
JEFF BISTRONG TRUSTEE	2 00	X						0	0	0
CHARLES FAVAZZO TRUSTEE	2 00	X						0	0	0
JOSEPH HALEY TRUSTEE	2 00	X						0	0	0
PAUL MUNIZ TRUSTEE	2 00	X						0	0	0
JAGRUTI PATEL TRUSTEE	2 00	X						0	0	0
MICHAEL SHEA TRUSTEE	2 00	X						0	0	0
KURT MELDEN TRUSTEE	2 00	X						0	0	0
GEORGE BURKE TRUSTEE	2 00	X						0	0	0
TOM GRANT TRUSTEE	2 00	X						0	0	0
VINCENT MARTELLI TRUSTEE	2 00	X						0	0	0
HUGH O'FLYNN MD TRUSTEE	2 00	X						0	0	0
AUSTIN O'KEEFFE MD TRUSTEE	2 00	X						0	0	0
ROBERT RIVES TRUSTEE	2 00	X						0	0	0
DAVID ST LAURENT TRUSTEE	2 00	X						0	0	0
MICHAEL RUANE TRUSTEE	2 00	X						0	0	0

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
STEVEN DEFOSSEZ MD TRUSTEE	2 00	X						0	0	0
DENIS CONROY CFO,TREASURE	28 00			X				240,289	129,386	26,671
WILLIAM DONALDSON VP GEN COUNS	27 00			X				147,088	98,058	35,268
JOSEPH PORCELLO CTRL, ASST T	11 00			X				50,275	117,308	33,776
MARYELLEN LEAR ASSISTANT CL	39 00			X				83,071	0	6,124
PAULINE PIKE EXECUTIVE VP	40 00				X			276,085	14,531	20,612
PETER SHORT VP OF MED AF	40 00				X			269,449	14,182	25,132
GARY MARLOW VP OF FINANC	40 00				X			228,711	0	25,410
GREGORY BIRD VP PATIENT C	40 00				X			218,684	0	33,911
JOHANNA RODGERS VP PHYSICIAN	27 00				X			186,354	16,205	28,008
ALTHEA LYONS VP OF HR	40 00				X			173,699	9,142	33,222
CYNTHIA DONALDSON VP OF ANCILL	40 00				X			169,861	0	14,617
BIN HE HOSPITALIST	40 00					X		321,991	0	34,898
IRENE TSIROZIDOU HOSPITALIST	40 00					X		315,974	0	30,654
SASHIKANTH KODALI HOSPITALIST	40 00					X		306,371	0	10,409
NILSSON CLAES HOSPITALIST	40 00					X		301,685	0	33,361
MUHAMMAD RIZVI HOSPITALIST	40 00					X		280,137	0	21,177
STEVEN LAVERTY FORMER PRESI	0 00						X	559,237	0	14,111
JAMES PURDY FORMER VP	0 00						X	206,879	0	20,231
CHARLES PAYSON FORMER VP	0 00						X	109,355	46,866	30,249
ROBERT LARAMIE FORMER CIO	0 00						X	133,668	0	23,967

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
NORTHEAST HOSPITAL CORPORATION	04-2121317

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☑ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		38,602
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			38,602
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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		No
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		No
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		No

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORPORATION

Employer identification number
04-2121317

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ $ 1,800,000

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	17,765,603	13,090,008	13,681,714		
b Contributions	990,656	4,378,469	1,406,540		
c Investment earnings or losses	-839,966	1,545,146	40,498		
d Grants or scholarships	87,321	105,855	165,189		
e Other expenditures for facilities and programs	1,409,809	1,142,165	1,873,555		
f Administrative expenses					
g End of year balance	16,419,163	17,765,603	13,090,008		

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 61 000 %
- c Term endowment ▶ 39 000 %

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	943,941	17,345,636		18,289,577
b Buildings	6,555,496	190,408,168	99,181,513	97,782,151
c Leasehold improvements				
d Equipment	516,361	157,603,859	129,048,122	29,072,098
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				145,143,826

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

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

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

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

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

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	15,547,626

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	129,240
ACCRUED PENSION LIABILITY	58,840,426
SERIES G,H,I LIABILITY SWAPS	14,952,908
ESTIMATED 3RD PARTY SETTLEMENT	9,463,804
CURRENT INSTALLMENT OF LT DEBT	9,160,250
POST RETIREMENT MEDICAL BENEFITS	1,980,444
PROFESSIONAL LIABILITY RESERVE	1,619,000
OTHER NON CURRENT LIABILITIES	409,837
CURRENT POST RETIREMENT MED BENEFITS	252,420
DUE TO AFFILIATES	
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	96,808,329

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	318,028,869
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	311,860,566
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	6,168,303
4	Net unrealized gains (losses) on investments	4	-4,978,862
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-21,122,965
9	Total adjustments (net) Add lines 4 - 8	9	-26,101,827
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-19,933,524

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	318,028,879
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	318,028,869
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	318,028,869

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

1	Total expenses and losses per audited financial statements			1	310,903,382
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	957,179		
c	Add lines **4a** and **4b**			4c	957,179
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	311,860,566

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
COLLECTIONS AND RELATION TO EXEMPT PURPOSE	SCHEDULE D, PAGE 2, PART III, LINE 4	THE ARTWORK "OLD FORT AND TEN POUND ISLAND" BY FITZ HUGH LANE, C 1850 IS BY A LOCAL ARTIST, DEPICTING A SCENE, WHICH WHEN DISPLAYED SERVES TO STRENGTHEN THE LINK WITH COMMUNITY RESIDENTS WHO UTILIZED THE HOSPITAL
INTENDED USES FOR ENDOWMENT FUNDS	SCHEDULE D, PAGE 2, PART V, LINE 4	ENDOWMENT FUNDS ARE USED AS EARMARKED BY DONORS TO COVER COSTS OF ONGOING PROGRAMS OF THE HOSPITAL
RECONCILIATION OF CHANGES - OTHER	SCHEDULE D, PAGE 4, PART XI, LINE 8	BOOK / TAX DEPRECIATION DIFFERENCE 17,098,418
EXPENSE AMOUNTS INCLUDED ON RETURN - OTHER	SCHEDULE D, PAGE 4, PART XIII, LINE 4B	BOOK / TAX DEPRECIATION DIFFERENCE 17,098,418
SUPPLEMENTAL FINANCIAL INFORMATION	SCHEDULE D, PAGE 4, PART XIV	PART XI, LINE 8 TOTAL ADJUSTMENTS INCLUDES NET ASSETS RELEASED FROM RESTRICTION, USED FOR OPERATIONS 931,394 NET ASSETS RELEASED FROM RESTRICTION, USED FOR PPE 565,646 TRANSFER TO AFFILIATES -6,318,000 MINIMUM PENSION LIABILITY ADJUSTMENT -16,327,805 OTHER 25,801 PART XIII, LINE 4B TOTAL ADJUSTMENTS INCLUDES NORTHEAST FOUNDATION FUNDRAISING EXPENSE 957,184 TAX/BOOK DEPRECIATION EXPENSE IS NOT APPLICABLE

Additional Data

Software ID:
Software Version:
EIN: 04-2121317
Name: NORTHEAST HOSPITAL CORPORATION

Form 990, Schedule D, Part X, - Other Liabilities

1 (a) Description of Liability	(b) Amount
ACCRUED PENSION LIABILITY	58,840,426
SERIES G,H,I LIABILITY SWAPS	14,952,908
ESTIMATED 3RD PARTY SETTLEMENT	9,463,804
CURRENT INSTALLMENT OF LT DEBT	9,160,250
POST RETIREMENT MEDICAL BENEFITS	1,980,444
PROFESSIONAL LIABILITY RESERVE	1,619,000
OTHER NON CURRENT LIABILITIES	409,837
CURRENT POST RETIREMENT MED BENEFITS	252,420
DUE TO AFFILIATES	

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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
NORTHEAST HOSPITAL CORPORATION

Employer identification number
04-2121317

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

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

- **a** ☐ Mail solicitations
- **b** ☐ Internet and e-mail solicitations
- **c** ☐ Phone solicitations
- **d** ☐ In-person solicitations
- **e** ☐ Solicitation of non-government grants
- **f** ☐ Solicitation of government grants
- **g** ☐ 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** ☐ **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 Form 990-EZ filers are not required to complete this table

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	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
Total . . . . . ▶						

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

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 BH CLASSIC GOLF (event type)	(b) Event #2 LYONS AMBULANCE (event type)	(c) Other Events (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	46,180	25,345		71,525
	2 Less Charitable contributions	19,930	8,235		28,165
	3 Gross income (line 1 minus line 2)	26,250	17,110		43,360
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs	7,080	18,164		25,244
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				25,244
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				18,116

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 Non-cash 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 lines 1 and 7 in column (d) ▶				

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? ☐ Yes ☐ No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ 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 Provide 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

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 distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493227014542

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
NORTHEAST HOSPITAL CORPORATION

Employer identification number
04-2121317

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☑ Other **4.00000 %**	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other **%**	3b		No
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			5,939,305	2,006,000	3,933,305	1 260 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			40,965,038	34,721,041	6,243,997	2 000 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			46,904,343	36,727,041	10,177,302	3 260 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			1,802,991	5,555	1,797,436	0 580 %
f Health professions education (from Worksheet 5)			169,099	38,045	131,054	0 040 %
g Subsidized health services (from Worksheet 6)			12,823,532	9,594,026	3,229,506	1 040 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			121,793		121,793	0 040 %
j **Total** Other Benefits			14,917,415	9,637,626	5,279,789	1 690 %
k **Total.** Add lines 7d and 7j			61,821,758	46,364,667	15,457,091	4 960 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development			25,000		25,000	0 010 %
3 Community support			15,000		15,000	
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy			35,550		35,550	0 010 %
8 Workforce development						
9 Other						
10 **Total**			75,550		75,550	0 020 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1		No
2	Enter the amount of the organization's bad debt expense (at cost) 2 2,884,517			
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 3 553,191			
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	90,098,223
6	Enter Medicare allowable costs of care relating to payments on line 5	6	102,568,930
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-12,470,707
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1	AURORA MRI OF BH	BREAST IMAGING TECHNOLOGY	10 000 %		10 000 %
2	NS PET IMAGING	MEDICAL IMAGING SERVICES	40 000 %		10 000 %
3	NS MRI IMAGING	MEDICAL IMAGING SERVICES	50 000 %		
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 4

	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	BEVERLY HOSPITAL 85 HERRICK ST BEVERLY,MA 01915	X	X					X		
2	BAYRIDGE HOSPITAL 60 GRANITE ST LYNN,MA 01904	X								PHYCHIATRIC HOSPITAL
3	ADDISON GILBERT HOSPITAL 298 WASHINGTON ST GLOUCESTER,MA 01930	X	X					X		
4	BEVERLY HOSPITAL AT DANVERS 480 MAPLE ST DANVERS,MA 01923		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: BEVERLY HOSPITAL

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**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 the 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 together with the reasons why it has not addressed such needs	**7**		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 400 0%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		No
If "Yes," indicate the FPG family income limit for eligibility for discounted care __%			
11 Explained the basis for calculating amounts charged to patients?	11	Yes	
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	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☑ The policy was attached to all 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 upon admission to the hospital facility			
f ☑ The policy was available upon 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	Yes	
15 Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☑ Other (describe in Part VI)			
16 Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	16	Yes	
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 (describe in Part VI)			
17 Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
a ☑ Notified patients of the financial assistance policy upon 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**	Yes	
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**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**	Yes	
If "Yes," explain in Part VI			

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: BAYRIDGE HOSPITAL

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**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 the 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 together with the reasons why it has not addressed such needs	**7**		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 400 0%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		No
If "Yes," indicate the FPG family income limit for eligibility for discounted care __%			
11 Explained the basis for calculating amounts charged to patients?	11	Yes	
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	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☑ The policy was attached to all 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 upon admission to the hospital facility			
f ☑ The policy was available upon 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	Yes	
15 Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☑ Other (describe in Part VI)			
16 Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	16	Yes	
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 (describe in Part VI)			
17 Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
a ☑ Notified patients of the financial assistance policy upon 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**	Yes	
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**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**	Yes	
If "Yes," explain in Part VI			

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: ADDISON GILBERT HOSPITAL

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	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 the 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 together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 400 0%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		No
If "Yes," indicate the FPG family income limit for eligibility for discounted care __%			
11 Explained the basis for calculating amounts charged to patients?	11	Yes	
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	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☑ The policy was attached to all 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 upon admission to the hospital facility			
f ☑ The policy was available upon 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	Yes	
15 Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☑ Other (describe in Part VI)			
16 Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	16	Yes	
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 (describe in Part VI)			
17 Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
a ☑ Notified patients of the financial assistance policy upon 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**	Yes	
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**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**	Yes	
If "Yes," explain in Part VI			

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: BEVERLY HOSPITAL AT DANVERS

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	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 the 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 together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 400 0%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		No
If "Yes," indicate the FPG family income limit for eligibility for discounted care __%			
11 Explained the basis for calculating amounts charged to patients?	11	Yes	
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	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☑ The policy was attached to all 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 upon admission to the hospital facility			
f ☑ The policy was available upon 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	Yes	
15 Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☑ Other (describe in Part VI)			
16 Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	16	Yes	
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 (describe in Part VI)			
17 Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
a ☑ Notified patients of the financial assistance policy upon 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**	Yes	
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**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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

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

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

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
OTHER TESTING METHODS FOR FREE OR DISCOUNTED CARE	PART I LINE 3C	THE HOSPITAL DID NOT USE FPG TO DETERMINE ELIGIBILITY FOR PROVIDING DISCOUNTED CARE TO LOW INCOME INDIVIDUALS THERE ARE TWO CIRCUMSTANCES WHERE THE HOSPITAL WILL OFFER DISCOUNTED CARE TO LOW INCOME INDIVIDUALS 1PATIENTS WHO DO NOT QUALIFY FOR ENROLLMENT IN A MASSACHUSETTS STATE PUBLIC ASSISTANCE PROGRAM SUCH AS OUTOFSTATE RESIDENTS BUT WHO MAY OTHERWISE MEET THE GENERAL FINANCIAL ELIGIBILITY CATEGORIES OF A STATE PUBLIC ASSISTANCE PROGRAM MAY RECEIVE A DISCOUNTED BILL THE HOSPITAL WILL PROVIDE AN APPROPRIATE DISCOUNT ON THE BILL ONCE THE DETERMINATION IS MADE 2WHEN A PATIENT REQUESTS A DISCOUNT ON AN UNPAID BILL THE HOSPITAL WILL REVIEW THE PATIENTS DOCUMENTED FINANCIAL SITUATION AND PAYMENT ACTIVITY THIS REVIEW IS CONSIDERED A SEPARATE FINANCIAL PROGRAM OFFERED BY THE HOSPITAL AND IS APPLIED ON A UNIFORM BASIS TO ALL PATIENTS ANY DISCOUNT THE HOSPITAL PROVIDES IS CONSISTENT WITH FEDERAL AND STATE TAX REQUIREMENTS AND DOES NOT INFLUENCE A PATIENT TO RECEIVE SERVICES FROM THE HOSPITAL

Identifier	ReturnReference	Explanation
RELATED ORGANIZATION INFORMATION	PART I LINE 6A	NORTHEAST HEALTH SYSTEM PARENT HOLDING COMPANY OF NORTHEAST HOSPITAL CORPORATION PREPARES THE COMMUNITY BENEFIT REPORT

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY EXPLANATION	PART I LINE 7	LINE 7A WAS CALCULATED USING WORKSHEET 1 LINE 7B WAS CALCULATED USING AN INTERNAL COST ACCOUNTING SYSTEM THE INTERNAL COST ACCOUNTING SYSTEM PROVIDES MANAGEMENT FINANCIAL INFORMATION ACROSS ALL PAYERS AND SERVICES OF THE ORGANIZATION A COST TO CHARGE RATIO WAS USED TO CALCULATE 7A AND 7B AND WAS DERIVED FROM WORKSHEET 2 LINES 7E 7F AND 7I WERE CALCULATED BY TAKING COMMUNITY AND CHARITY CARE PROGRAM REVENUES AND EXPENSES FROM THE GENERAL LEDGER PLUS RELATED DIRECT AND INDIRECT COSTS THESE COSTS WERE CALCULATED BY TAKING THE NUMBER OF EMPLOYEE HOURS SPENT ON EACH PROGRAM MULTIPLIED BY A STANDARD RATE PLUS A FRINGE FACTOR TO CALCULATE BENEFIT COSTS LINE 7G WAS CALCULATED BY TAKING QUALIFYING SUBISIZED HEALTH SERVICES NET REVENUE LESS RELATED DIRECT AND INDIRECT COSTS EXCLUDING ANY AMOUNTS RELATED TO BAD DEBT FINANCIAL ASSISTANCE MEDICAID AND OTHER MEANSTESTED GOVERNMENT PROGRAMS FROM AN INTERNAL FINANCIAL REPORTING SYSTEM WHICH WE RECONCILE TO THE GENERAL LEDGER

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	PART II	PART II NORTHEAST HOSPITAL CORPORATION HAS SEVERAL BUILDING ACTIVITIES THAT PROMOTE THE HEALTH OF THE COMMUNITIES THE ORGANIZATION SERVES THESE INCLUDE HEALTH SCREENINGS CLINICS AND SEMINARS DEVELOPED FOR BREAST CANCER SKIN CANCER DEPRESSION DIABETES BONE DENSITY BLOOD PRESSURE FLU AND CPR IN ADDITION RISK ASSESSMENTS ARE DEVELOPED FOR CARDIOVASCULAR OSTEOPOROSIS DIABETES BODY MASS INDEX AND BREAST CANCER A NUMBER OF DISEASE MANAGEMENT INITIATIVES HAVE BEEN INSTITUTED INCLUDING CARDIAC REHABILITATION HEART FAILURE MANAGEMENT PULMONARY REHABILITATION OSTEOPOROSIS MANAGEMENT VASCULAR HEALTH AND WOMENS HEALTH SCREENINGS THE HOSPITAL ALSO HOLDS FREE SUPPORT GROUPS TO THE COMMUNITY FOR RESIDENTS WITH BREAST CANCER MELANOMA PROSTATE CANCER ALZHEIMERS EARLY STATE OF MEMORY LOSS POSTPARTUM DEPRESSION EPILEPSY DIABETES OR HAVE EXPERIENCED A STROKE INFANT LOSS AND LOSS OF A FAMILY MEMBER IN 2003 NHC CREATED THE LIFESTYLE MANAGEMENT INSTITUTE LMI THE LMI PROVIDES PROGRAMS AND EDUCATION ON HOW TO LIVE A HEALTHY LIFESTYLE AND PROACTIVELY IDENTIFIES POPULATIONS WITH OR AT RISK OF ESTABLISHED MEDICAL CONDITIONS THE LMI OFFERS A FULL RANGE OF SERVICES TO THE COMMUNITY INCLUDING RISK ASSESSMENT PREVENTION EDUCATION DIAGNOSTIC TESTING COORDINATED MEDICAL TREATMENT AND CONTINUOUS MONITORING EFFECTIVE DISEASE MANAGEMENT USING APPROPRIATE MEDICAL PROTOCOLS REDUCES THE NUMBER OF HOSPITAL ADMISSIONS AND EMERGENCY ROOM VISITS SHORTENS THE LENGTH OF HOSPITAL STAYS AND IMPROVES THE OVERALL HEALTH AND QUALITY OF LIFE FOR PEOPLE WITH CHRONIC ILLNESS

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE EXPLANATION	PART III LINE 4	PART III LINE 4 THE HOSPITAL INCLUDES ITS BAD DEBT EXPENSE AS A LINE ITEM PROVISION FOR BAD DEBTS NET IN THE AUDITED STATEMENT OF OPERATIONS NHC DOES NOT HAVE A BAD DEBT EXPENSE FOOTNOTE ON ITS FINANCIAL STATEMENTS THESE AMOUNTS REPRESENT COMMUNITY BENEFITS BECAUSE THEY WERE PROVIDED TO PATIENTS THAT ULTIMATELY QUALIFIED FOR CHARITY CARE

Identifier	ReturnReference	Explanation
MEDICARE EXPLANATION	PART III LINE 8	PART III LINE 8 THESE COSTS REPRESENT A COMMUNITY BENEFIT BECAUSE THE PAYMENT FROM MEDICARE IS LESS THAN THE COST TO PROVIDE CARE AND THAT SHORTFALL IS ABSORBED BY THE HOSPITAL IN ADDITION THE HOSPITAL PROVIDES CARE TO A SUBSTANTIAL POPULATION OF MEDICAID PATIENTS AT PAYMENT LEVELS WELL BELOW COST

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES EXPLANATION	PART III LINE 9B	PART III LINE 9B THE HOSPITALS CREDIT AND COLLECTION POLICIES ARE DEVELOPED TO ENSURE COMPLIANCE WITH APPLICABLE CRITERIA REQUIRED UNDER 1 THE MASSACHUSETTS HEALTH SAFETY NET ELIGIBILITY REGULATION 1146 CMR 1300 2 THE CENTERS FOR MEDICARE AND MEDICAID SERVICES MEDICARE BAD DEBT REQUIREMENTS 42 CFR 41389 AND 3 THE MEDICARE PROVIDER REIMBURSEMENT MANUAL PART I CHAPTER 3 THIS POLICY IS AVAILABLE TO ALL PATIENTS UPON REQUEST FOR ANY PATIENTS WHO ARE UNINSURED OR UNDERINSURED THE HOSPITALS FINANCIAL COUNSELORS WILL WORK WITH THESE PATIENTS AND ASSIST THEM WITH FINDING A FINANCIAL ASSISTANCE PROGRAM THAT MAY COVER SOME OR ALL OF UNPAID BILLS ONCE THE HOSPITAL KNOWS PATIENTS QUALIFY FOR CHARITY CARE ALL COLLECTION PROCEDURES END AND THE FULL BALANCE OR THE AMOUNT THAT QUALIFIES UNDER FREE CARE IS WRITTEN OFF FINANCIAL ASSISTANCE IS INTENDED TO HELP LOWINCOME PATIENTS WHO DO NOT OTHERWISE HAVE THE ABILITY TO PAY FOR THEIR HEALTH CARE SERVICES FINANCIAL ASSISTANCE PROGRAMS INCLUDE BUT ARE NOT LIMITED TO MASSHEALTH COMMONWEALTH CARE CHILDRENS MEDICAL SECURITY PLAN HEALTHY START AND HEALTHY SAFETY NET PATIENTS UNDER THESE PROGRAMS WILL RECEIVE AN INITIAL BILL BUT ARE EXEMPT FROM ANY FURTHER COLLECTION OR BILLING PROCEDURES PURSUANT TO MASSACHUSETTS STATE REGULATIONS

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI	THE COMMUNITY BENEFITS PROGRAM AT NORTHEAST HOSPITAL CORPORATION NHC IS A PROGRAM ESTABLIS HED TO PARTNER WITH COMMUNITY LEADERS AND ORGANIZATIONS TO ASSESS THE HEALTH CARE NEEDS OF THE COMMUNITY NHC INCORPORATES THE COMMUNITY HEALTH CONCEPTS OF WELLNESS ADAPTATION SELFC ARE AND HEALTH PROMOTION STRATEGIES USED IN COMMUNITY BENEFITS HEALTH ACTIVITIES INCLUDE P REVENTION EARLY DETECTION EARLY INTERVENTION LONGTERM MANAGEMENT AND COLLABORATIVE EFFORTS WITH THE AFFILIATE ORGANIZATIONS THAT MAKE UP NORTHEAST HEALTH SYSTEM THE PARENT HOLDING COMPANY OF NHC HEALTH ISSUES ADDRESSED ENCOMPASS SAFETY CHRONIC DISEASE INFECTIOUS DISEASE SUBSTANCE ABUSE AND BEHAVIORAL HEALTH THE IMPORTANCE OF THE COMMUNITY HEALTH NEEDS ASSESS MENT AND THE HOSPITALS COLLECTIVE EFFORTS TO ADDRESS THE HEALTHCARE NEEDS OF THE NORTH SHO RE HAVE NEVER BEEN GREATER THE ECONOMIC DOWNTURN HAS HAD A TREMENDOUS IMPACT ON THOUSANDS OF INDIVIDUALS AND FAMILIES THROUGHOUT THE REGION NHC CONTINUES TO WORK IN PARTNERSHIP WIT H THE COMMUNITIES IT SERVES AND WITH HEALTHRELATED ORGANIZATIONS THROUGHOUT THE NORTH SHOR E TO MEET THE AREAS HEALTHCARE NEEDS AND IMPROVE THE OVERALL HEALTH STATUS OF THE COMMUNIT Y THE COMMUNITY BENEFITS COMMITTEE AT NHC ENSURES THAT THE ORGANIZATION CONDUCTS HEALTH NE EDS ASSESSMENTS FOR ITS 16 TOWNCITY PRIMARY SERVICE AREA AS MANDATED BY THE MASSACHUSETTS ATTORNEY GENERAL NHC WITH THE HELP OF NORTHEAST HEALTH SYSTEM AFFILIATES WILL FOCUS THE CO MMUNITY BENEFITS PLAN AROUND THE FOUR STATEWIDE PRIORITIES SET FORTH BY THE ATTORNEY GENER ALS OFFICE WHICH INCLUDE CHRONIC DISEASE MANAGEMENT FOR DISADVANTAGED POPULATIONS REDUCING HEALTH DISPARITIES PROMOTING WELLNESS OF VULNERABLE POPULATIONS AND SUPPORTING HEALTH CAR E REFORM NHCS MOST RECENT HEALTH NEEDS ASSESSMENT WAS CONDUCTED FROM AUGUST 2007 THROUGH F EBRUARY 2009 THE HOSPITAL IS IN THE PROCESS OF CONDUCTING ITS 20102012 COMMUNITY ASSESSMEN T WHICH WILL BE FINALIZED IN SEPTEMBER 2012 THE HOSPITALS INTERNAL COMMITTEE NHC INTERNAL STEERING COMMITTEE OVERSEES THE ASSESSMENT ALONG WITH AN OUTSIDE CONTRACTOR JOHN SNOW INC JSI JSI AND NHC INTERNAL STEERING COMMITTEE DEVELOPED A FINAL APPROACH AND SET OF METHODS INCLUDING DATA COLLECTION COMMUNITY INVOLVEMENT STRATEGIC PLANNING AND REPORTING ACTIVITIE S THAT WILL MEET IRS AND STATE COMMUNITY BENEFIT REQUIREMENTS AND THAT ARE CUSTOMIZED TO T HE SERVICE AREA AND THE NEEDS OF THE HOSPITAL JSI PROPOSED A THREEPHASED APPROACH THAT WIL L 1 IDENTIFY AND CLARIFY THE HEALTHCARE NEEDS AND PRIORITIES OF THE RESIDENTS IN NHCS CORE SERVICE AREA 2 ENGAGE PEOPLE THROUGHOUT THE SERVICE AREA AND 3 FACILITATE THE DEVELOPMENT OF A DETAILED COMMUNITY HEALTH STRATEGIC PLAN THAT WILL HELP GUIDE HOW NHC ENGAGES WITH T HE COMMUNITY AND OTHER COLLABORATING ORGANIZATIONS WITH RESPECT TO ITS COMMUNITY BENEFIT I NITIATIVES THE HOSPITAL FOUND IN ITS PREVIOUS WORK THAT A PHASED APPROACH RESULTS IN CONCR ETE FINAL RECOMMENDATIONS AS WELL AS MORE SOLID BUYIN AMONG STAKEHOLDERS IN PHASE I THE HO SPITAL WILL CONDUCT A PRELIMINARY NEEDS ASSESSMENT THAT RELIES HEAVILY ON INFORMATION COLL ECTED THROUGH EXISTING HEALTHRELATED DATA FROM LOCAL STATE AND NATIONAL SOURCES AND WILL E NGAGE THE COMMUNITY THROUGH A SERIES OF KEY INFORMATIONAL INTERVIEWS THESE INTERVIEWS WILL INCLUDE A REPRESENTATIVE CROSS SECTION OF HEALTH DEPARTMENT OFFICIALS HEALTH AND SOCIAL S ERVICE PROVIDERS ADVOCACY GROUPS ELECTED OFFICIALS AND OTHER COMMUNITY LEADERS THESE INTER VIEWS WILL INCLUDE A CROSS SECTION OF CLINICAL AND ADMINISTRATIVE STAFF INCLUDING THE HOSP ITALS LEADERSHIP TEAM SO THAT WE CAN GET THEIR BUYIN ON THE ASSESSMENT AS WELL AS THEIR IN PUT ON COMMUNITY HEALTH PRIORITIES AT THE END OF PHASE I THE STEERING COMMITTEE AND POSSIB LY OTHER KEY STAKEHOLDERS WILL DISCUSS AND CLARIFY THE FINDINGS FROM THE PRELIMINARY ASSES SMENT AND ALSO EXPLORE THE EXTENT TO WHICH WE NEED TO COLLECT ADDITIONAL SECONDARY DATA AN D AGREE ON AN EXACT METHODOLOGY FOR PHASE II OF THE NEEDS ASSESSMENT IN PHASE II THE PRELI MINARY ANALYSIS WILL BE REFINED BY COMPILING ADDITIONAL SECONDARY DATA THAT MAY BE NEEDED BUT THE MAIN FOCUS WILL BE ON COLLECTING PRIMARY DATA FROM COMMUNITY RESIDENTS THROUGH A C OMMUNITY HEALTH SURVEY THE CULMINATION OF PHASE II WILL BE A FINAL NEEDS ASSESSMENT REPORT THAT COMPILES INTEGRATES AND ANALYZES ALL OF THE DATA COLLECTED IN PHASES I AND II AT THI S POINT THE STEERING COMMITTEE ALONG WITH OTHER KEY STAKEHOLDERS AS APPROPRIATE WILL COME TO TOGETHER ONCE AGAIN FOR A COMMUNITY HEALTH RETREAT TO DISCUSS THE FINDINGS FROM PHASES I AND II AND TO BEGIN TO DEVELOP NHCS COMMUNITY HEALTH STRATEGIC PLAN IN PHASE III THE JSI PROJECT TEAM WILL WORK CLOSELY WITH THE STEERING COMMITTEE TO DEVELOP A COMMUNITY HEALTH STRATEGIC PLAN THAT WILL GUIDE NHCS COMMUNITY HEALTH EFFORTS MORE SPECIFICALLY THE PLAN WI LL 1 IDENTIFY THE MOST PRESSING HEALTH CARE NEEDS FOR NHCS PRIMARY SERVICE AREA OVERALL AN D BY SELECTED COMMUNITIES 2 IDENTIFY THE HOSPITALS COMMUNITY HEALTH PRIORITIES WITH RESPEC T TO HEALTH TOPICS SPECIAL POPULATIONS OR GEOGRAPH

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI	IC COMMUNITIES 3 OUTLINE A SET OF INITIATIVES NHC SHOULD EXPLORE TO WORK WITH THE COMMUNIT Y TO ADDRESS THE ISSUES HIGHLIGHTED THROUGH THIS WORK AND 4 RECOMMEND A SERIES OF SYSTEMS ANDOR ORGANIZATIONAL INFRASTRUCTURE THAT WILL ALLOW NHC TO SUSTAIN AND BUILD ON THE COMMUN ITY ENGAGEMENT ACTIVITIES INITIATED THROUGH THIS PROJECT

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI	THE HOSPITAL PROVIDES PATIENTS WITH INFORMATION ABOUT THE AVAILABILITY OF FINANCIAL ASSISTANCE PROGRAMS THAT ARE AVAILABLE THROUGH THE STATE OF MASSACHUSETTS OR THROUGH THE HOSPITALS OWN FINANCIAL ASSISTANCE PROGRAM WHICH MAY COVER ALL OR SOME OF THEIR UNPAID BILL FOR EVERY PATIENT THAT REQUIRES ANY KIND OF FINANCIAL ASSISTANCE THE HOSPITAL HAS FINANCIAL COUNSELORS AVAILABLE TO ASSIST LOWINCOME PATIENTS WHO DO NOT HAVE THE ABILITY TO PAY FOR THEIR HEALTH CARE SERVICES SUCH ASSISTANCE TAKES INTO ACCOUNT EACH INDIVIDUALS ABILITY TO CONTRIBUTE TO THE COST OF HIS OR HER CARE FINANCIAL ASSISTANCE PROGRAMS INCLUDE BUT ARE NOT LIMITED TO MASSHEALTH COMMONWEALTH CARE CHILDRENS MEDICAL SECURITY PLAN HEALTHY START AND HEALTHY SAFETY NET EACH PATIENT REQUIRING ASSISTANCE COMPLETES AN APPLICATION THROUGH THE VIRTUAL GATEWAY AN INTERNET PORTAL DESIGNED BY THE MASSACHUSETTS EXECUTIVE OFFICE OF HEALTH HUMAN SERVICES TO PROVIDE THE GENERAL PUBLIC MEDICAL PROVIDERS AND COMMUNITY BASED ORGANIZATIONS WITH AN ONLINE APPLICATION FOR THE PROGRAMS OFFERED BY THE STATE OR THROUGH A STANDARD PAPER APPLICATION THAT ALSO GETS SENT TO THE MASSACHUSETTS EXECUTIVE OFFICE THIS OFFICE SOLELY MANAGES THE APPLICATION PROCESS FOR THE PROGRAMS LISTED ABOVE THE HOSPITAL ALSO INFORMS AND EDUCATES PATIENTS ABOUT STATE AND FEDERAL INSURANCE ASSISTANCE PROGRAMS BY MAKING THIS INFORMATION AVAILABLE ON PATIENT HOSPITAL BILLS ON NOTICES POSTED AT EVERY REGISTRATION SITE IN BROCHURES AT REGISTRATION DESKS AND WAITING ROOMS VIA PHONE PATIENT PHONE CALLS THROUGH COMMUNITY EVENTS AND HEALTH FAIRS AND BY ESTABLISHING RELATIONSHIPS WITH COMMUNITY AGENCIES SUCH AS SENIOR CITIZEN CENTERS SHELTERS FOOD PANTRIES BOARD OF HEALTH AND SCHOOL NURSES

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI	THE HOSPITAL SERVES THE NORTH SHORE COMMUNITY IN MASSACHUSETTS WHICH HAS A POPULATION OF APPROXIMATELY 300000 THIS AREA INCLUDES BEVERLY DANVERS PEABODY SAUGUS LYNN MARBLEHEAD SALEM HAMILTON IPSWICH ESSEX MANCHESTER GLOUCESTER AND ROCKPORT BUT ANYONE WHO COMES TO ONE OF THE FACILITIES AND REQUIRES CARE WILL RECEIVE IT REGARDLESS OF WHETHER THEY LIVE IN THIS COMMUNITY EIGHTY PERCENT OF THE COMMUNITY IS WHITE 813 HAVE ENGLISH HAS A FIRST LANGUAGE AND 90 HAVE GRADUATED FROM HIGH SCHOOL AS REPORTED IN OUR PUBLIC HEALTH ASSESSMENT REPORT 87 OF THE ADULTS IN THE HOSPITALS SERVICE AREA HAVE A PERSONAL HEALTH CARE PROVIDER AND 80 HAVE HEALTH INSURANCE

Identifier	ReturnReference	Explanation
HEALTH OF COMMUNITY IN RELATION TO EXEMPT PURPOSE	PART VI	IN ADDITION TO THE HOSPITALS COMMUNITY BENEFITS PROGRAMS INITIATIVES AND ACTIVITIES AS NOTED THROUGHOUT SCHEDULE H NHC HAS FURTHER PROMOTED THE HEALTH OF THE COMMUNITY BY ENCOURAGING ITS MANAGERS AND STAFF TO ACTIVELY PARTICIPATE IN OTHER NOTFORPROFIT COMMUNITY ORGANIZATIONS EITHER AS BOARD MEMBERS OR SUPPORTERS THE HOSPITAL RESPONSIBLY MANAGES FACILITY UPDATES AND TECHNOLOGICAL IMPROVEMENT THAT ENABLES NHC TO PROVIDE THE NORTH SHORE WITH CONVENIENT SAFE AND EFFECTIVE HEALTHCARE

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE INFORMATION	PART VI	NORTHEAST HEALTH SYSTEM INC NHS IS AN INTEGRATED HEALTHCARE SYSTEM COMPRISED OF A NETWORK OF HOSPITALS BEHAVIORAL HEALTH LONGTERM CARE AND HUMAN SERVICE AFFILIATES OFFERING NORTH SHORE RESIDENTS GENERAL AND SPECIALIZED MEDICAL CARE NHS HAS A COMMITMENT TO BOTH PATIENTS AND THEIR FAMILIES TO PROVIDE HIGHQUALITY CARE IN A COMFORTING SETTING THE ORGANIZATIONS THAT MAKE UP THIS NETWORK INCLUDE NHC ORGANIZED FOR THE PURPOSE OF OPERATING A HOSPITAL NORTHEAST MEDICAL PRACTICE ORGANIZED TO MANAGE AND OPERATE ACCESSIBLE PHYSICIAN PRACTICES SEACOAST NURSING AND REHABILITATION CENTER ORGANIZED FOR PURPOSE OF OPERATING A NURSING HOME NORTHEAST SENIOR HEALTH CORPORATION ORGANIZED FOR THE PURPOSE OF PROVIDING ELDERLY AND ASSISTED LIVING HOUSING NORTHEAST BEHAVIORAL HEALTH ORGANIZED TO PROVIDE OUTPATIENT SERVICES CROSSCULTURAL PROGRAMS COMMUNITY SUPPORT SERVICES YOUTH RESIDENTIAL SERVICES SUBSTANCE ABUSE SERVICES PREVENTION SERVICES TRAUMA SERVICES EARLY CHILDHOOD SERVICES AND MEDICAL SERVICES IN THE GREATER NORTHSHORE AND CAB HEALTH RECOVERY ORGANIZED FOR THE PURPOSE OF PROVIDING TREATMENT FOR SUBSTANCE ABUSE THROUGH THIS CONTINUUM OF SERVICES NHS PROVIDES FOR A WIDE RANGE OF THE HEALTH NEEDS OF THE RESIDENTS OF THE NORTH SHORE IN A COORDINATED EFFICIENT AND COMPREHENSIVE MANNER

Identifier	ReturnReference	Explanation
LIST OF STATES WHERE COMMUNITY BENEFIT REPORT IS FILED	PART VI	MASSACHUSETTS

Identifier	ReturnReference	Explanation
ADDITIONAL INFORMATION	PART VI	PART III LINE 2 BAD DEBT EXPENSE AT COST WAS DETERMINED BY MULTIPLYING THE HOSPITALS BAD DEBT PROVISION FROM THE GENERAL LEDGER BY THE COST RATIO CALCULATED AS NOTED ABOVE LESS RECOVERIES OF BAD DEBT FROM THE GENERAL LEDGER PART III LINE 3 BAD DEBT PATIENTS ELIGIBLE FOR CHARITY CARE WAS DETERMINED BY REVIEWING SPECIFIC PATIENT BALANCES THIS AMOUNT CONSISTS OF PATIENTS WITH A BALANCE FROM A PRIOR VISIT WHO DID NOT QUALIFY FOR FREE CARE AT THAT TIME WHO LATER CAME TO THE HOSPITAL FOR A VISIT AND NOW QUALIFIES FOR FREE CARE CHARGES RELATED TO THIS PREVIOUS VISIT ARE WRITTEN OFF AS BAD DEBT SINCE THEY WERE NOT ELIGIBLE FOR FREE CARE AT THAT TIME PART III LINE 6 WAS CALCULATED USING AN INTERNAL COST ACCOUNTING SYSTEM WHICH PROVIDES MANAGEMENT FINANCIAL INFORMATION ACROSS ALL PAYERS AND SERVICES OF THE ORGANIZATION

Identifier	ReturnReference	Explanation
BEVERLY HOSPITAL LINE NUMBER 1 PART V LINE 13G	PART V LINE 13G	THE HOSPITAL HAS FINANCIAL COUNSELORS AVAILABLE FOR ANY PATIENT WHO REQUIRES HELP FILING FOR FINANCIAL ASSISTANCE THE COUNSELORS PERFORM FINANCIAL SCREENING AND HELP PATIENTS WITH MASSHEALTH COMMONWEALTH CARE HEALTH SAFETY NET MEDICAL HARDSHIP DISABILITY AND LONG TERM CARE APPLICATIONS THE HOSPITAL IS ALSO INVOLVED WITH COMMUNITY LIASON OUTREACH ACTIVITIES IN ADDITION TO HELPING PATIENTS WHO ARE ADMITTED TO THE HOSPITAL FINANCIAL COUNSELORS HELP SCREEN AND ENROLL PATIENTS IN THE COMMUNITY WHEN THEY ARE REFERRED TO THE HOSPITAL AGENCIES THE HOSPITAL HAS ESTABLISHED RELATIONSHIPS WITH INCLUDE COUNCILS ON AGING SHINE SERVING HEALTH INSURANCE NEEDS OF ELDERS CHEC COMMUNITY HEALTH EDUCATION CENTER PUBLIC SCHOOLS HOMELESS SHELTERS FOOD PANTRIES BOARD OF HEALTH IN GLOUCESTER AND BEVERLY POLICE DEPT IN GLOUCESTER AND BEVERLY AND LOCAL PHYSICIAN OFFICES

Identifier	ReturnReference	Explanation
BEVERLY HOSPITAL LINE NUMBER 1 PART V LINE 15E	PART V LINE 15E	PERMISSIBLE COLLECTION ACTIVITIES INCLUDE SENDING OUT STATEMENTS COLLECTION LETTERS AND MAKING TELEPHONE CALLS TO PATIENTS

Identifier	ReturnReference	Explanation
BEVERLY HOSPITAL LINE NUMBER 1 PART V LINE 16E	PART V LINE 16E	PERMISSIBLE COLLECTION ACTIVITIES INCLUDE SENDING OUT STATEMENTS COLLECTION LETTERS AND MAKING TELEPHONE CALLS TO PATIENTS

Identifier	ReturnReference	Explanation
BEVERLY HOSPITAL LINE NUMBER 1 PART V LINE 19D	PART V LINE 19D	PATIENT ACCOUNTS WILL OFFER UP TO A 30 REDUCTION IN CHARGES FOR SELFPAY OR UNDERINSURED PATIENTS FOR ALL ANCILLARY AND EMERGENCY ROOM CHARGES

Identifier	ReturnReference	Explanation
BEVERLY HOSPITAL LINE NUMBER 1 PART V LINE 21	PART V LINE 21	ALL PATIENTS ARE BILLED AT GROSS CHARGES

Identifier	ReturnReference	Explanation
BAYRIDGE HOSPITAL LINE NUMBER 2 PART V LINE 13G	PART V LINE 13G	THE HOSPITAL HAS FINANCIAL COUNSELORS AVAILABLE FOR ANY PATIENT WHO REQUIRES HELP FILING FOR FINANCIAL ASSISTANCE THE COUNSELORS PERFORM FINANCIAL SCREENING AND HELP PATIENTS WITH MASSHEALTH COMMONWEALTH CARE HEALTH SAFETY NET MEDICAL HARDSHIP DISABILITY AND LONG TERM CARE APPLICATIONS THE HOSPITAL IS ALSO INVOLVED WITH COMMUNITY LIASON OUTREACH ACTIVITIES IN ADDITION TO HELPING PATIENTS WHO ARE ADMITTED TO THE HOSPITAL FINANCIAL COUNSELORS HELP SCREEN AND ENROLL PATIENTS IN THE COMMUNITY WHEN THEY ARE REFERRED TO THE HOSPITAL AGENCIES THE HOSPITAL HAS ESTABLISHED RELATIONSHIPS WITH INCLUDE COUNCILS ON AGING SHINE SERVING HEALTH INSURANCE NEEDS OF ELDERS CHEC COMMUNITY HEALTH EDUCATION CENTER PUBLIC SCHOOLS HOMELESS SHELTERS FOOD PANTRIES BOARD OF HEALTH IN GLOUCESTER AND BEVERLY POLICE DEPT IN GLOUCESTER AND BEVERLY AND LOCAL PHYSICIAN OFFICES

Identifier	ReturnReference	Explanation
BAYRIDGE HOSPITAL LINE NUMBER 2 PART V LINE 15E	PART V LINE 15E	PERMISSIBLE COLLECTION ACTIVITIES INCLUDE SENDING OUT STATEMENTS COLLECTION LETTERS AND MAKING TELEPHONE CALLS TO PATIENTS

Identifier	ReturnReference	Explanation
BAYRIDGE HOSPITAL LINE NUMBER 2 PART V LINE 16E	PART V LINE 16E	PERMISSIBLE COLLECTION ACTIVITIES INCLUDE SENDING OUT STATEMENTS COLLECTION LETTERS AND MAKING TELEPHONE CALLS TO PATIENTS

Identifier	ReturnReference	Explanation
BAYRIDGE HOSPITAL LINE NUMBER 2 PART V LINE 19D	PART V LINE 19D	PATIENT ACCOUNTS WILL OFFER UP TO A 30 REDUCTION IN CHARGES FOR SELFPAY OR UNDERINSURED PATIENTS FOR ALL ANCILLARY AND EMERGENCY ROOM CHARGES

Identifier	ReturnReference	Explanation
BAYRIDGE HOSPITAL LINE NUMBER 2 PART V LINE 21	PART V LINE 21	ALL PATIENTS ARE BILLED AT GROSS CHARGES

Identifier	ReturnReference	Explanation
ADDISON GILBERT HOSPITAL LINE NUMBER 3 PART V LINE 13G	PART V LINE 13G	THE HOSPITAL HAS FINANCIAL COUNSELORS AVAILABLE FOR ANY PATIENT WHO REQUIRES HELP FILING FOR FINANCIAL ASSISTANCE THE COUNSELORS PERFORM FINANCIAL SCREENING AND HELP PATIENTS WITH MASSHEALTH COMMONWEALTH CARE HEALTH SAFETY NET MEDICAL HARDSHIP DISABILITY AND LONG TERM CARE APPLICATIONS THE HOSPITAL IS ALSO INVOLVED WITH COMMUNITY LIASON OUTREACH ACTIVITIES IN ADDITION TO HELPING PATIENTS WHO ARE ADMITTED TO THE HOSPITAL FINANCIAL COUNSELORS HELP SCREEN AND ENROLL PATIENTS IN THE COMMUNITY WHEN THEY ARE REFERRED TO THE HOSPITAL AGENCIES THE HOSPITAL HAS ESTABLISHED RELATIONSHIPS WITH INCLUDE COUNCILS ON AGING SHINE SERVING HEALTH INSURANCE NEEDS OF ELDERS CHEC COMMUNITY HEALTH EDUCATION CENTER PUBLIC SCHOOLS HOMELESS SHELTERS FOOD PANTRIES BOARD OF HEALTH IN GLOUCESTER AND BEVERLY POLICE DEPT IN GLOUCESTER AND BEVERLY AND LOCAL PHYSICIAN OFFICES

Identifier	ReturnReference	Explanation
ADDISON GILBERT HOSPITAL LINE NUMBER 3 PART V LINE 15E	PART V LINE 15E	PERMISSIBLE COLLECTION ACTIVITIES INCLUDE SENDING OUT STATEMENTS COLLECTION LETTERS AND MAKING TELEPHONE CALLS TO PATIENTS

Identifier	ReturnReference	Explanation
ADDISON GILBERT HOSPITAL LINE NUMBER 3 PART V LINE 16E	PART V LINE 16E	PERMISSIBLE COLLECTION ACTIVITIES INCLUDE SENDING OUT STATEMENTS COLLECTION LETTERS AND MAKING TELEPHONE CALLS TO PATIENTS

Identifier	ReturnReference	Explanation
ADDISON GILBERT HOSPITAL LINE NUMBER 3 PART V LINE 19D	PART V LINE 19D	PATIENT ACCOUNTS WILL OFFER UP TO A 30 REDUCTION IN CHARGES FOR SELFPAY OR UNDERINSURED PATIENTS FOR ALL ANCILLARY AND EMERGENCY ROOM CHARGES

Identifier	ReturnReference	Explanation
ADDISON GILBERT HOSPITAL LINE NUMBER 3 PART V LINE 21	PART V LINE 21	ALL PATIENTS ARE BILLED AT GROSS CHARGES

Identifier	ReturnReference	Explanation
BEVERLY HOSPITAL AT DANVERS LINE NUMBER 4 PART V LINE 13G	PART V LINE 13G	THE HOSPITAL HAS FINANCIAL COUNSELORS AVAILABLE FOR ANY PATIENT WHO REQUIRES HELP FILING FOR FINANCIAL ASSISTANCE THE COUNSELORS PERFORM FINANCIAL SCREENING AND HELP PATIENTS WITH MASSHEALTH COMMONWEALTH CARE HEALTH SAFETY NET MEDICAL HARDSHIP DISABILITY AND LONG TERM CARE APPLICATIONS THE HOSPITAL IS ALSO INVOLVED WITH COMMUNITY LIASON OUTREACH ACTIVITIES IN ADDITION TO HELPING PATIENTS WHO ARE ADMITTED TO THE HOSPITAL FINANCIAL COUNSELORS HELP SCREEN AND ENROLL PATIENTS IN THE COMMUNITY WHEN THEY ARE REFERRED TO THE HOSPITAL AGENCIES THE HOSPITAL HAS ESTABLISHED RELATIONSHIPS WITH INCLUDE COUNCILS ON AGING SHINE SERVING HEALTH INSURANCE NEEDS OF ELDERS CHEC COMMUNITY HEALTH EDUCATION CENTER PUBLIC SCHOOLS HOMELESS SHELTERS FOOD PANTRIES BOARD OF HEALTH IN GLOUCESTER AND BEVERLY POLICE DEPT IN GLOUCESTER AND BEVERLY AND LOCAL PHYSICIAN OFFICES

Identifier	ReturnReference	Explanation
BEVERLY HOSPITAL AT DANVERS LINE NUMBER 4 PART V LINE 15E	PART V LINE 15E	PERMISSIBLE COLLECTION ACTIVITIES INCLUDE SENDING OUT STATEMENTS COLLECTION LETTERS AND MAKING TELEPHONE CALLS TO PATIENTS

Identifier	ReturnReference	Explanation
BEVERLY HOSPITAL AT DANVERS LINE NUMBER 4 PART V LINE 16E	PART V LINE 16E	PERMISSIBLE COLLECTION ACTIVITIES INCLUDE SENDING OUT STATEMENTS COLLECTION LETTERS AND MAKING TELEPHONE CALLS TO PATIENTS

Identifier	ReturnReference	Explanation
BEVERLY HOSPITAL AT DANVERS LINE NUMBER 4 PART V LINE 19D	PART V LINE 19D	PATIENT ACCOUNTS WILL OFFER UP TO A 30 REDUCTION IN CHARGES FOR SELFPAY OR UNDERINSURED PATIENTS FOR ALL ANCILLARY AND EMERGENCY ROOM CHARGES

Identifier	ReturnReference	Explanation
BEVERLY HOSPITAL AT DANVERS LINE NUMBER 4 PART V LINE 21	PART V LINE 21	ALL PATIENTS ARE BILLED AT GROSS CHARGES

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORPORATION

Employer identification number
04-2121317

Part I General Information on Grants and Assistance

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

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

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

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

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

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. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) E TORREY JOHNSON SCHLSHP	17	24,000			
(2) MEDICAL STAFF SCHOLARSHIP	2	4,000			

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

Identifier	Return Reference	Explanation
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS INSIDE THE UNITED STATES	SCHEDULE I, PAGE 1, PART I, LINE 2	THE ELIZABETH TORREY JOHNSON SCHOLARSHIP FUND IS MAINTAINED BY THE FRIENDS OF BEVERLY HOSPITAL (A GROUP WHO CREATES AND SUPPORTS PROGRAMS AND ACTIVITIES THAT ENRICH BEVERLY HOSPITAL) THE FUND WAS ESTABLISHED IN 1964 AND SINCE THEN HAS PROVIDED ANNUAL SCHOLARSHIPS TO NUMEROUS APPLICANTS ALL ELIGIBLE APPLICANTS MUST SUBMIT AN APPLICATION THAT INCLUDES THE COST OF TUITION, ROOM & BOARD, FEES AND ALL AVAILABLE FINANCIAL RESOURCES THEY HAVE BEEN AWARDED RECIPIENTS ARE HIGH SCHOOL STUDENTS WHO HAVE VOLUNTEERED A MINIMUM OF 100 HOURS AT THE HOSPITAL AND PLAN TO HAVE CAREERS IN HEALTH CARE CONFIRMATION OF ENROLLMENT IN COLLEGE IS REQUIRED THE MEDICAL STAFF SCHOLARSHIPS AWARDS 2,000 TO SEVERAL STUDENTS IN THE HOSPITAL'S PRIMARY CARE SERVICE AREA AFTER STUDENTS APPLY FOR THE SCHOLARSHIPS THEIR APPLICATIONS ARE REVIEWED AND THE RECIPIENTS ARE CHOSEN BY A COMMITTEE OF THE MEDICAL STAFF

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORPORATION

Employer identification number
04-2121317

Part I Questions Regarding Compensation

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

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
FRINGE OR EXPENSE EXPLANATION	SCHEDULE J, PAGE 1, PART I, LINE 1A	KEN HANOVER, CEO, WAS PROVIDED A HOUSING ALLOWANCE OF 3,000 PER MONTH FROM JANUARY 2010 THROUGH SEPTEMBER 2010
SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS	SCHEDULE J, PAGE 1, PART I, LINE 4	STEVEN LAVERTY 559,237 0 0 JAMES PURDY 48,462 0 0 CHARLES PAYSON 44,424 0 0

Additional Data Return to Form

Software ID:
Software Version:
EIN: 04-2121317
Name: NORTHEAST HOSPITAL CORPORATION

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
KENNETH HANOVER	(I)	510,207				21,195	531,402	
	(II)	274,727				11,413	286,140	
DENIS CONROY	(I)	240,289				17,336	257,625	
	(II)	129,386				9,335	138,721	
WILLIAM DONALDSON	(I)	147,088				21,161	168,249	
	(II)	98,058				14,107	112,165	
JOSEPH PORCELLO	(I)	50,275				10,133	60,408	
	(II)	117,308				23,643	140,951	
PAULINE PIKE	(I)	276,085				19,581	295,666	
	(II)	14,531				1,031	15,562	
PETER SHORT	(I)	269,449				23,875	293,324	
	(II)	14,182				1,257	15,439	
GARY MARLOW	(I)	228,711				25,410	254,121	
	(II)							
GREGORY BIRD	(I)	218,684				33,911	252,595	
	(II)							
JOHANNA RODGERS	(I)	186,354				25,767	212,121	
	(II)	16,205				2,241	18,446	
ALTHEA LYONS	(I)	173,699				31,561	205,260	
	(II)	9,142				1,661	10,803	
CYNTHIA DONALDSON	(I)	169,861				14,617	184,478	
	(II)							
BIN HE	(I)	309,987	12,004			34,898	356,889	
	(II)							
IRENE TSIROZIDOU	(I)	312,086	3,888			30,654	346,628	
	(II)							
SASHIKANTH KODALI	(I)	302,367	4,004			10,409	316,780	
	(II)							
NILSSON CLAES	(I)	294,697	6,988			33,361	335,046	
	(II)							
MUHAMMAD RIZVI	(I)	277,327	2,810			21,177	301,314	
	(II)							
STEVEN LAVERTY	(I)			559,237		14,111	573,348	
	(II)							
JAMES PURDY	(I)	158,237		48,642		20,231	227,110	
	(II)							
CHARLES PAYSON	(I)	78,258		31,097		21,174	130,529	
	(II)	33,539		13,327		9,075	55,941	
ROBERT LARAMIE	(I)	133,668				23,967	157,635	
	(II)							

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORPORATION

Employer identification number
04-2121317

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	MASS HLTH & EDU FAC'S AUTH SERIES H	04-2456011	57586CQJ7	08-03-2006	23,000,000	CONSTR AMBUL FAC		X		X		X
B	MASS HLTH & EDU FAC'S AUTH SERIES G	04-2456011	57586CDV4	10-27-2004	55,000,000	CONS/RENO BH ER/GAR		X		X		X
C	MASS HLTH & EDU FAC'S AUTH SRS M-2	04-2456011	57585KA57	05-30-2003	13,410,000	RENOV BH ENDO, PACU		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	23,000,000	55,000,000	13,410,000	
2	Amount of bonds legally defeased				
3	Total proceeds of issue	4,064,143	4,064,143	1,341,000	
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow	9,375,639	9,375,639		
7	Issuance costs from proceeds	406,011	3,190,198	67,050	
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	22,593,989	3,837,020	12,001,950	
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2007	2007	2004	

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X		X		
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X			
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
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?		X		X		X		

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		
2	Is the bond issue a variable rate issue?	X		X		X			
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X		X			X		
b	Name of provider	BANK OF AMERICA		MERRILL LYNCH					
c	Term of hedge		30 0		29 8				
d	Was the hedge superintegrated?		X		X				
e	Was a hedge terminated?		X		X				
4a	Were gross proceeds invested in a GIC?		X		X		X		
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
6	Did the bond issue qualify for an exception to rebate?		X		X		X		

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORPORATION

Employer identification number
04-2121317

Part I Types of Property

		(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1	Art—Works of art	X			
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods	X			
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded	X		57,091	SELLING PRICE
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▸ (PUBLISHING SRVS)	X			
26	Other ▸ (EVENT TICKETS)	X			
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	

			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?	30a		No
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a		No
b	If "Yes," describe in Part II			
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORPORATION

Employer identification number
04-2121317

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990 - ORGANIZATION'S MISSION	COMMITTED TO PROVIDING THE HIGHEST QUALITY MEDICAL CARE TO ALL INDIVIDUALS WHO CAN BENEFIT FROM OUR CONTINUUM OF CARE. OUR CONCEPT OF CARE BROADLY EMBRACES THE HEALTH, WELL-BEING AND DIGNITY OF THE PATIENTS WE SERVE, REGARDLESS OF ABILITY TO PAY

Identifier	Return Reference	Explanation
EXPLANATION ON VOLUNTEERS AND TYPES OF SERVICES OR BENEFITS	FORM 990, PAGE 1, PART I, LINE 6	VOLUNTEERS SUPPORT THE SERVICES OF THE HOSPITAL'S STAFF THEY ARE TRAINED AND SUPERVISED BY EMPLOYEES OF THE DEPARMENT TO WHICH THEY ARE ASSIGNED INDIVIDUAL VOLUNTEER SCHEDULES MAY VARY DEPENDING ON DEPARTMENT NEEDS AND MAY INCLUDE EVENING AND WEEKEND HOURS VOLUNTEERS RECEIVE TRAINING SPECIFIC TO THEIR DUTIES PRIOR TO PERFORMING THEIR JOB AND ARE OFTEN PAIRED WITH A VETERAN VOLUNTEER OR STAFF MEMBER UNTIL THEY ARE COMFORTABLE WORKING ON THEIR OWN VOLUNTEERS ATTEND HOSPITAL ORIENTATION TO LEARN SAFETY, INFECTION CONTROL, AND PATIENT CONFIDENTIALITY INCLUDING HIPAA REQUIREMENTS PRIOR TO BEING PLACED THEY ARE ALSO GIVEN HEALTH SCREENINGS AND RECEIVE YEARLY SAFETY UPDATES

Identifier	Return Reference	Explanation
FINANCIAL ACCOUNTS IN FOREIGN COUNTRIES	FORM 990, PART V, LINE 4B	BERMUDA, CAYMAN ISLANDS, BRITISH VIRGIN ISLANDS

Identifier	Return Reference	Explanation
RELATED PARTY INFORMATION AMONG OFFICERS	FORM 990, PAGE 6, PART VI, LINE 2	WILLIAM DONALDSON CYNTHIA DONALDSON VP VP HUSBAND & WIFE

Identifier	Return Reference	Explanation
CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PAGE 6, PART VI, LINE 6	NORTHEAST HEALTH SYSTEM IS THE SOLE MEMBER OF NORTHEAST HOSPITAL CORPORATION

Identifier	Return Reference	Explanation
ELECTION OF MEMBERS AND THEIR RIGHTS	FORM 990, PAGE 6, PART VI, LINE 7A	NORTHEAST HEALTH SYSTEM IS THE SOLE MEMBER OF NORTHEAST HOSPITAL CORPORATION AND ELECTS THE NORTHEAST HOSPITAL CORPORATION BOARD OF TRUSTEES

Identifier	Return Reference	Explanation
DECISIONS SUBJECT TO APPROVAL OF MEMBERS	FORM 990, PAGE 6, PART VI, LINE 7B	NORTHEAST HEALTH SYSTEM RESERVES TO ITSELF THE POWER TO APPROVE CERTAIN ACTIONS TAKEN BY THE BOARD OF NORTHEAST HOSPITAL CORPORATION

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	A COPY OF THE FORM 990, ALONG WITH A REVIEW GUIDE, WAS PROVIDED TO ALL MEMBERS OF THE BOARD OF TRUSTEES PRIOR TO THE FILING THIS RETURN WAS ALSO REVIEWED BY MEMBERS OF THE FINANCE AND COMPENSATION COMMITTEE PRIOR TO FILING

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	EACH YEAR THE MEMBERS OF THE BOARD ARE PROVIDED WITH A COPY OF THE CONFLICT OF INTEREST POLICY AND ASKED TO LIST ANY POTENTIAL CONFLICTS THIS SIGNED FORM IS KEPT ON FILE WITH THE CORPORATE RECORDS AND THE CHAIR AND CEO ARE MADE AWARE OF ANY POTENTIONAL CONFLICTS IF ANY CONFLICTS EXIST, THE TRUSTEE IS EXCUSED FROM THE DISCUSSIONS AND THE VOTE

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	THE COMPENSATION COMMITTEE, COMPRISED OF INDEPENDENT TRUSTEES, MEETS ANNUALLY REVIEW EXECUTIVE GOALS, SALARIES, INCENTIVES, PAYMENT PROGRAMS AND BENEFITS THE COMMITTE USES COMPARATIVE DATA FROM SULLIVAN & COTTER & LAWRENCE ASSOCIATES TO MAKE SURE EXECUTIVE COMPENSATION AND BENEFITS ARE IN LINE WITH THE REST OF THE INDUSTRY

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	THE COMPENSATION COMMITTEE, COMPRISED OF INDEPENDENT TRUSTEES, MEETS ANNUALLY REVIEW EXECUTIVE GOALS, SALARIES, INCENTIVES, PAYMENT PROGRAMS AND BENEFITS THE COMMITTE USES COMPARATIVE DATA FROM SULLIVAN & COTTER & LAWRENCE ASSOCIATES TO MAKE SURE EXECUTIVE COMPENSATION AND BENEFITS ARE IN LINE WITH THE REST OF THE INDUSTRY

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	THE ARTICLES OF ORGANIZATION IS A PUBLIC DOCUMENT FILED WITH THE SECRETARY OF STATE OF THE COMMONWEALTH OF MASSACHUSETTS THE ARTICLES OF ORGANIZATION, BY-LAWS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST THE ORGANIZATION PUBLISHES AN ANNUAL REPORT, WHICH CONTAINS AUDITED FINANCIAL STATEMENTS AND LISTINGS OF BOARD MEMBERS THE FEDERAL FORM 990 AND MASSACHUSETTS FORM PC ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS EXPLANATION	FORM 990, PART XI, LINE 5	OTHER CHANGES IN NET ASSETS INCLUDE TRANSFER TO AFFILIATE (6,318,000), MINIMUM PENSION LIABILITY (16,327,805), FOUNDATION EXPENSE ALLOCATION (389,156), CHANGE IN NET UNREALIZED GAINS (4,978,862), AND NET ASSETS RELEASED FROM RESTRICTED PPE, 565,646

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORPORATION

Employer identification number
04-2121317

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) NORTHEAST MEDICAL PRACTICE 85 HERRICK ST BEVERLY, MA 01915 04-3201853	PHYSICIANS	MA	501(C)	9	NEHS		No
(2) NORTHEAST HEALTH SYSTEM 85 HERRICK ST BEVERLY, MA 01915 04-3240453	PARENT CO	MA	501(C)	11C	NEHS		No
(3) CAB HEALTH & RECOVERY 0 CENTENNIAL DRIVE PEABODY, MA 01960 04-2400270	SUBS ABUSE	MA	501(C)	9	NEHS		No
(4) SEACOAST NURSING & REHAB 300 WASHINGTON ST GLOUCESTER, MA 01930 04-1305001	HEALTHCARE	MA	501(C)	9	NEHS		No
(5) NE PROFESSIONAL REG OF NURSES 800 CUMMINGS CTR BEVERLY, MA 01915 04-1287349	HEALTHCARE	MA	501(C)	9	NEHS		No
(6) NORTHEAST SENIOR HEALTH 85 HERRICK ST BEVERLY, MA 01915 04-2731137	HEALTHCARE	MA	501(C)	9	NEHS		No
(7) NORTHEAST BEHAVIORAL HEALTH 131 RANTOUL ST BEVERLY, MA 01915 04-2777145	MENTAL ILL	MA	501(C)	7	NEHS		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? 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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) CABLE PROPERTIES COUNTY ROAD IPSWICH, MA01938 04-3033832	CABLE DEV		NEHS	C CORP			
(2) NORTHEAST PROPRIETARY CORP 85 HERRICK ST BEVERLY, MA01915 04-2855191	MED SRVS		NEHS	C CORP			
(3) NORTHEAST PHO 500 CUMMINGS CTR SUITE 6500 BEVERLY, MA01915 04-3258053	MED SRVS		NEHS	C CORP			

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

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

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

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

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

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data Return to Form

Software ID:
Software Version:
EIN: 04-2121317
Name: NORTHEAST HOSPITAL CORPORATION

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
NORTHEAST MEDICAL PRACTICE 85 HERRICK ST BEVERLY, MA01915 04-3201853	PHYSICIANS	MA	501(C)	9	NEHS		No
NORTHEAST HEALTH SYSTEM 85 HERRICK ST BEVERLY, MA01915 04-3240453	PARENT CO	MA	501(C)	11C	NEHS		No
CAB HEALTH & RECOVERY 0 CENTENNIAL DRIVE PEABODY, MA01960 04-2400270	SUBS ABUSE	MA	501(C)	9	NEHS		No
SEACOAST NURSING & REHAB 300 WASHINGTON ST GLOUCESTER, MA01930 04-1305001	HEALTHCARE	MA	501(C)	9	NEHS		No
NE PROFESSIONAL REG OF NURSES 800 CUMMINGS CTR BEVERLY, MA01915 04-1287349	HEALTHCARE	MA	501(C)	9	NEHS		No
NORTHEAST SENIOR HEALTH 85 HERRICK ST BEVERLY, MA01915 04-2731137	HEALTHCARE	MA	501(C)	9	NEHS		No
NORTHEAST BEHAVIORAL HEALTH 131 RANTOUL ST BEVERLY, MA01915 04-2777145	MENTAL ILL	MA	501(C)	7	NEHS		No

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	NORTHEAST MEDICAL PRACTICE	A	249,353	
(2)	NORTHEAST SENIOR HEALTH	A	114,040	
(3)	NORTHEAST MEDICAL PRACTICE	B	6,318,000	
(4)	NORTHEAST SENIOR HEALTH	D	6,090,000	
(5)	NORTHEAST BEHAVIORAL HEALTH	D	5,264,000	
(6)	SEACOAST NURSING & REHAB	D	6,056,000	
(7)	NORTHEAST HEALTH SYSTEM	L	892,623	
(8)	NORTHEAST BEHAVIORAL HEALTH	L	14,989,640	
(9)	NORTHEAST MEDICAL PRACTICE	N	104,169	
(10)	NORTHEAST MEDICAL PRACTICE	A	249,353	
(11)	NORTHEAST SENIOR HEALTH	A	114,040	
(12)	NORTHEAST MEDICAL PRACTICE	B	6,318,000	
(13)	NORTHEAST SENIOR HEALTH	D	6,090,000	
(14)	NORTHEAST BEHAVIORAL HEALTH	D	5,264,000	
(15)	SEACOAST NURSING & REHAB	D	6,056,000	
(16)	NORTHEAST HEALTH SYSTEM	L	892,623	
(17)	NORTHEAST BEHAVIORAL HEALTH	L	14,989,640	
(18)	NORTHEAST MEDICAL PRACTICE	N	104,169	

Community Benefits Report

Fiscal Year 2011
-Consolidated Version-

Prepared By:

Gerald B. MacKillop, Jr., MBA
Public Relations Manager

Table of Contents

Appendix

Massachusetts Attorney General's Community Benefits Guidelines

The Attorney General's Community Benefits Guidelines for Nonprofit Acute-Care Hospitals and The Attorney General's Community Benefits Guidelines for Health Maintenance Organizations are sets of voluntary principles that encourage Massachusetts hospitals and HMOs to continue and build upon their commitment to addressing health and social needs within their communities.

The Guidelines represent a unique non-regulatory approach that calls upon hospitals and HMOs to identify and respond to the unmet needs of the communities they serve by formalizing their approaches to community benefits planning, collaborating with community representatives to identify and create programs that address those needs, and issuing annual reports on their efforts. The Guidelines do not dictate the types of community benefits programs that hospitals and HMOs should provide. They do, however, suggest that hospitals and HMOs tap into their own and their communities' particular resources and areas of expertise to target the needs of medically-underserved populations.

The hospital and the HMO Community Benefits Guidelines are each the product of an extensive process of consultation and partnership between the Attorney General and representatives of the hospital and HMO industries, respectively, and community advocacy groups. These discussions took place at a time of ongoing debate in Massachusetts and around the nation as to whether non-profit, tax-exempt hospitals were fulfilling their charitable missions. Several Massachusetts hospitals had, on their own initiative, adopted model community benefits guidelines developed by national hospital associations, and the Massachusetts Hospital Association was considering a long-term initiative to produce voluntary guidelines of its own.

The resulting Community Benefits Guidelines were the first of their kind to be issued by an Attorney General. The hospital Guidelines were modeled after community benefits guidelines developed by the Kellogg Foundation, the Catholic Hospital Association and the Voluntary Hospital Association as well as after community benefits legislation in several other states. The HMO Guidelines are similar to the hospital Guidelines, and were prompted by a recognition of the increased role that HMOs were playing in the health care system.

Source: Excerpt taken from the Official Website of the Attorney General of Massachusetts. For full guidelines, please go to: http://www.cbsys.ago.state.ma.us/cbpublic/public/hccbnpguide.pdf

Northeast Hospital Corporation's Community Benefits Mission Statement

The Community Benefits Program at Northeast Hospital Corporation is a program established to partner with community leaders and organizations to assess the health care needs of the community. NHC incorporates the Community Health concepts of wellness, adaptation, self-care and health promotion. Strategies used in Community Benefits health activities include prevention, early detection, early intervention, long-term management and collaborative efforts with the affiliate organizations that make up Northeast Health System. Health issues addressed encompass safety, chronic disease, infectious disease, substance abuse and behavioral health.

Also included with the Community Benefits Mission Statement are the mission statements of Northeast Health System and Northeast Hospital Corporation. The corporate Mission Statement is founded in the concepts of quality, caring and community.

(Approved by the Community Benefits Committee, July 17, 2010)

Northeast Hospital Corporation's Community Benefits Plan

The importance of the community health needs assessment and our collective efforts to address the healthcare needs of the North Shore have never been greater. The economic downturn has had a tremendous impact on thousands of individuals and families throughout the region. Northeast Hospital Corporation (NHC) looks forward to continuing to work in partnership with the communities we serve and with health-related organizations throughout the North Shore to meet the area's healthcare needs and improve the overall health status of the community.

NHC with the help of Northeast Health System affiliates, will focus the community benefits plan around the four state-wide priorities highlighted below set forth by the Attorney General's Office:

- Chronic Disease Management for disadvantaged populations
- Reducing health disparities
- Promoting wellness of vulnerable populations
- Supporting health care reform

The Community Benefits Committee at NHC, will ensure the organization conducts health needs assessments for its 16 town/city primary service area as mandated by the Attorney General.

The Target Population(s) are broken down into six distinct groups: Health Issues, Types of Programs, Sex, Race/Ethnicity, Age and Insured Status.

Programs in Place

Screenings, clinics and seminars were developed in the following areas: skin cancer, oral cancer, pap smear, depression, diabetes, bone density, blood pressure, flu and CPR. In addition, risk assessments were developed for cardiovascular, osteoporosis, diabetes, body mass index and breast cancer.

A number of disease management initiatives have been instituted including cardiac rehabilitation, heart failure management, pulmonary rehabilitation, osteoporosis management, vascular health and women's health screenings. In 2003, NHC created the Lifestyle Management Institute (LMI). The LMI provides programs and education on how to live a healthy lifestyle, and proactively identifies populations with, or at risk of, established medical conditions. The LMI offers a full range of services to the community including risk assessment, prevention education, diagnostic testing, coordinated medical treatment and continuous monitoring. Effective disease management using appropriate medical protocols reduces the number of hospital admissions and emergency room visits, shortens the length of hospital stays and improves the overall health and quality of life for people with chronic illness.

1.Within each of the chronic disease areas, an initiative was developed to identify and manage the treatment of each patient and family.

2.A database has been developed by the LMI for patient maintenance and appropriate follow-up.

(Approved by the Community Benefits Committee, July 17, 2010)

Northeast Hospital Corporation's Community Benefit Committee

- Kenneth Hanover – President and Chief Executive Officer, Northeast Health System
- David St. Laurent - Chairman, Northeast Health System Board of Trustees
- Nancy Palmer – Chairwoman, Northeast Hospital Corporation Board of Trustees
- Marc Meiches – Trustee
- Joseph Haley, Esq. – Trustee
- Charles Favazzao – Trustee
- Charles Furlong - Trustee
- Robert Irwin - Trustee
- William Donaldson, Esq. - Sr. Vice President & General Counsel
- Susan Payson – Sr. Vice President, Philanthropy
- Lisa Neveling – Director, Marketing & Business Development
- Joseph Porcello - Controller
- Gerald MacKillop, Jr., MBA – Public Relations Manager, Marketing & Business Development

Key Accomplishments for Reporting Year FY '11

In FY '11 we launched a free pediatric speech and language screening at Beverly Hospital, which was managed by the Speech-Language Therapy Department. Screenings were provided for children 18 months to seven years of age. The thirty minute screening helped to identify if a child is developmentally appropriate in terms of their speech, language, or feeding skills. We screened 163 children and 74 children needed further evaluation.

In FY ' 11 we added five new support groups. Key findings in our community health needs assessment indicated a need for the following: Stroke, Ostomy, Nicotine, Diabetes and Child Loss.

In FY '11 we provided 135 free Speaker Bureau presentations within our primary service area. Our Speakers Bureau is made up of physicians, social workers, nurses and other clinical staff.

In FY '11 we provided 46 free blood pressure clinics and had 1,055 "patients" attend our free weekly sessions. Out of the 1,055 "patients" 45 needed further care.

In FY '11 we participated in 91 health fairs or wellness clinics.

In FY '11 Beverly Hospital co-sponsored a YMCA of the USA grant with the Greater Beverly YMCA and were one of ten funded applicants across the United States.

In FY '11 in partnership with the Healthy Gloucester Collaborative and Action Inc., Addison Gilbert Hospital launched a PILOT Program in the Emergency Department. SBIRT (Screening, Brief Intervention, and Referral to Treatment) is a research supported model that gives healthcare providers the skills to discuss health behavior changes with their patients in a positive way. This is used with high risk and dependent alcohol and drug users who are in an emergency department environment.

In FY '11 NHC' launched a healthy cooking show; called *Men In Aprons*. With the executive chefs at Addison Gilbert and Beverly hospitals as well as the NHC clinical nutrition department a show was developed with healthy spins on popular dishes. Men in Aprons airs on social media platforms such as Facebook and YouTube and on the hospital's website beverlyhospital.org

Plans for Next Reporting Year FY '12

Successfully complete a comprehensive community health needs assessment for Gloucester, Rockport, Manchester, Essex, Ipswich, Hamilton and Wenham. Northeast Hospital Corporation has hired John Snow Inc., as the project consultant.

Develop a community benefit action plan to address the health concerns found as a result of the community health needs assessment.

Launch a free after school health and wellness program to be called "Passport to Fitness & Health" at Veteran's Memorial School in Gloucester, MA. Over seventy percent of the students at this school are eligible for free or reduced school lunches. This will be a formal partnership with the Cape Ann YMCA. The Open Door Food Pantry, Gloucester Public Schools and The Food Project.

NHC seeks to address health concerns through a grant initiative, the Northeast Hospital Corporation's Community Collaborative Grant. NHC requests applications for funding that relate to one of the main focuses of the Community Health Needs Assessment. These include the following: Mental and Behavioral Health, Chronic Disease Management (Heart Disease, Diabetes and Cancer) or Access to Healthcare Services

NHC will allocate up to $30,000 in grant funding to support innovative initiatives that are designed to: promote mental and behavioral health education, prevention, and early intervention; improve chronic disease prevention (as it relates to diabetes, stroke, cancer, and heart disease) and promote healthy lifestyles and publicize available health resources and activities in the community.

Community Partners for Fiscal Year 2011

Beverly Community Council

Pediatric Grand Rounds, Beverly

Greater Beverly YMCA

Essex Park Rehab Beverly

Beacon Hospice, Beverly

Beverly High School

Beverly Senior Center

BevCam

Herrick House, Beverly

Memorial School, Beverly

First Baptist Church of Beverly

Beverly Resource Group

Cape Ann Chamber of Commerce

Danvers Senior Center

First Church, Danvers

Center for Healthy Aging- Danvers

Peabody Institute Library, Danvers

Stop & Shop, Danvers

Danvers Rotary

St. John's Prep, Danvers

Danvers Kiwanis Club

Danvers YMCA

North Shore Community College, Danvers

Essex Senior Center, Essex

Action Inc. Gloucester

Gloucester Stroke Club

Rose Baker Senior Center, Gloucester

Gloucester Breast Cancer Support Group

Shaw's Gloucester Eastern Ave

Gloucester Rotary

Hamilton Wenham Regional High School

Hamilton Wenham Rotary

Ipswich Council on Aging

Ipswich YMCA

Ipswich Senior Center

Bridgewell, Lynnfield

Lynnfield Senior Center

Lynnfield Council on Aging

Marblehead Council on Aging

Marblehead Senior Center

Jewish Community Center, Marblehead

Flint Public Library, Middleton

Middleton Council on Aging

Middleton Senior Center

Peabody Senior Center

Peabody Institute Library, Peabody

Peabody Glen Health Care Center

Peabody Council on Aging

Brooksby Village, Peabody

Rockport Rotary Club

Rockport Senior Center

Salem Council on Aging

Topsfield Council on Aging

Wenham Council on Aging

Enon Village, Wenham

Wenham Council on Aging

Beverly Chamber of Commerce

Peabody Area Chamber of Commerce

Healthy Gloucester Collaborative

GetFit Gloucester

North Shore Chamber of Commerce

Cape Ann Channel 12 Public Access

Danvers Community Access Television

American Red Cross of Northeast Massachusetts

Beverly Main Streets

North Shore United Way

Endicott College

YMCA of the North Shore

North Shore Community Health Network Area

DanversCares

Beverly Police Department

Danvers Police Department

Gloucester Police Department

Beverly Health Department

Healthy Peabody Collaborative

Gloucester Health Department

Weekly Blood Pressure Clinic

Target Population – Adult (Elder, Young), Teen Child, under/uninsured, male, female all races.

Baseline Measurement - Compared to the State, respondents reported higher rates of hypertension (32 percent) compared to the State (26 percent). *Northeast Hospital Corporation Community Health Needs Assessment*

State Wide Priority - Chronic Disease Management for disadvantaged populations.

Community Partners – Not Applicable

Background - The goal of the program is to educate patients as well as offer preventative services to patients. Registered nurses see patients, take blood pressures, review medications, council and if necessary, contact the primary care physician or nurse practitioner if changes need to be made or a high reading was taken. In FY '11, 1,055 patients accessed the free weekly blood pressure clinic and 45 patients had high blood pressure readings.

Medication Review - "15 Minutes with a Pharmacist"

Target Population – Adult (Elder, Young) under/uninsured, male, female all races.

Baseline Measurement - Substance abuse and mental health issues are major concern throughout the North Shore. For example, a number of communities have substantially higher rates of alcohol- and drug-related hospital discharges and higher rates of injection drug user admissions to State-funded treatment program than the State average. *Northeast Hospital Corporation Community Health Needs Assessment*

State Wide Priority – Promoting wellness of disadvantaged populations.

Community Partners – Beverly Senior Center, Rose Baker Senior Center Gloucester, Ipswich Council on Aging, Danvers Senior Center, Healthy Gloucester Collaborative, Healthy Peabody Collaborative, Danvers Police Department and Beverly Health Department.

Background - NHC pharmacists offer medication reconciliation while educating patients on medication disposal efforts, safety precautions and assisting them in filling out a medication card. In FY '11 we were able to facilitate 29 sessions totaling 38 hours of medication reconciliation. This program is an education component of the medication disposal and sharps recycling efforts of NHC.

Health Promotion Advocate

Target Population – Adult, Teens, under/uninsured, male, female all races

Baseline Measurement - Substance abuse and mental health issues are major concern throughout the North Shore, particularly for a handful of communities. For example, a number of communities have substantially higher rates of alcohol- and drug-related hospital discharges and higher rates of injection drug user admissions to State-funded treatment program than the State average. *Northeast Hospital Corporation Community Health Needs Assessment*

State Wide Priority – Promoting wellness of disadvantaged populations.

Community Partners – Massachusetts Department of Public Health, Healthy Gloucester Collaborative, Action Inc. and Gloucester Health Department.

Background - In FY '11 in partnership with the Healthy Gloucester Collaborative and Action Inc., Addison Gilbert Hospital launched a PILOT Program in the Emergency Department. Called SBIRT (Screening, Brief Intervention, and Referral to Treatment) is a research supported model that gives healthcare providers the skills to discuss health behavior changes with their patients in a positive way. This is used with high risk and dependent alcohol and drug users who are in an emergency department environment. In FY '11 our Health Promotion Advocate screened 144 patients who presented in the Addison Gilbert Hospital Emergency Department, 62 patients or roughly 43% screened positive for risky alcohol or drug use. This service is available for 18 hours per week from 4 – 10:30 p.m. The health promotion advocate had a follow up rate of 34%. Of that total percent of follow-up consultations 83.3% made a positive change in their behavior, 50% stopped drinking and 33.3% reduced their drinking.

Pediatric Speech and Language Screening

Target Population – Child (young, infant, teen), under/uninsured, male, female all races

Baseline Measurement – Not Applicable

State Wide Priority – Promoting wellness of disadvantaged populations.

Community Partners – Not Applicable

Background - Pediatric Speech screenings are 30 minutes in duration and were used to identify if a child is developmentally appropriate in terms of their speech, language, or feeding skills. If a child qualifies for further evaluation, the family will be assisted by a speech/language pathologist who will assist in scheduling a comprehensive speech/language evaluation Early identification and intervention is key to addressing developmental delays.

Community Skin Cancer Clinic Program

Target Population – Adult (Elder, Young) Teen Child, under/uninsured, male, female all races

Baseline Measurement – In NHC's Primary Service Area Cancer is the second leading cause of death in the region and several towns have higher rates of certain cancers, such as colorectal and breast cancer, than the State. *Northeast Hospital Corporation Community Health Needs Assessment*

State Wide Priority – Promoting wellness of disadvantaged populations.

Community Partners – Melanoma Foundation of New England and the American Cancer Society.

Background - The Community Skin Cancer Clinic, in partnership with the American Cancer Society and the Melanoma Foundation. Patients call to schedule an appointment with one of our oncologists. At the clinic, patients are provided with a thorough examination and information on skin cancer prevention. If they were in need of further evaluation and treatment, the findings could be shared with their primary care physician. In FY '11, the program aimed to launch a second clinic day and that was achieved in September 2011. 100 patients participated in two community skin cancer clinics. Out of the 100 patients we saw, 71 needed further treatment and or evaluation.

Northeast Hospital Corporation's Speakers Bureau Program

Target Population – Adult (Elder, Young), Teen Child, under/uninsured, male, female all races

Baseline Measurement - Not Applicable

State Wide Priority – None

Community Partners – Danvers Council on Aging, Gloucester Stroke Club, Danvers Community Access TV, Middleton Council on Aging, Hamilton Council on Aging, North Shore Neuropathy Support Group, Brooksby Village, Rose Baker Senior Center, Topsfield Council on Aging, North Shore Mothers of Multiples Support Group, Wenham Council on Aging, Beverly Council on Aging, Rockport Council on Aging, Gloucester Emergency Preparedness Team, Endicott College, CoCo Key Hotel and Water Park, Tri Town School District, Hamilton Wenham Regional School District, Boston North Fitness Center, Peabody Glenn Nursing Home, Flint Public Library, Ipswich Council on Aging, Marblehead Parkinson's Support Group, Manchester Men's Club, Beverly Public Schools, Gloucester Public Schools, Manchester Essex Regional School District, Salem State College, Shaw's Market Gloucester, Stop & Shop Danvers, Masconomet High School, Peabody Council on Aging, North Shore YMCA, Middleton Board of Trade, The Herrick House, Spectrum North Andover, Safe Harbor Retirement Planning, NOAA – Gloucester, Gloucester Council on Aging.

Background - The Beverly and Addison Gilbert hospitals' Speakers Bureau is a free service designed to bring timely information on a variety of health-related topics. Speakers include physicians, registered nurses, dietitians, physical therapists, pharmacists and other healthcare professionals and provided information about healthy living and illness prevention. Northeast Hospital Corporation (NHC) was able to offer 147 free educational presentations in our service area during FY '11. The following is a breakdown by town / city: Gloucester - 29, Rockport, -3, Beverly – 29, Danvers - 21, Manchester – 3, Peabody – 11, Salem – 1, Topsfield

- 10 Hamilton/ Wenham – 13, Middleton – 10, Ipswich -6, Marblehead – 2. North Shore, 4, Tri-town, 3, North Andover, 2.

Northeast Hospital Corporation Support Groups

Target Population – Adult (Elder, Young), Teen Child, under/uninsured, male, female all races

Baseline Measurement – Not Applicable

State Wide Priority – Promoting wellness of a disadvantaged populations.

Community Partners – Not Applicable

Background - Support Groups (Breast Cancer, General Cancer, Melanoma, Prostate Cancer, Connecting Young Moms, Mother Time, Alzheimer's, Early State of Memory Loss, Post-Partum, Infant Loss, Stroke, Widowed Persons, Military Family, Polycythemia Vera, Epilepsy, Nicotine Anonymous, Stroke, Ostomy, Diabetes and Child Loss). All support group programs are free to the community. NHC facilitated and hosted 243support group sessions in FY '11; (128 in Beverly, 91 in Gloucester and 24 in Danvers.)

Serving Health Information Needs of Elders (SHINE)

Target Population – Adult (Elder, Young), under/uninsured, male, female all races

Baseline Measurement - The North Shore Community Health Network Area's percent of adults who have no health insurance is more than double the State's percent (20 percent vs. 9 percent). *Northeast Hospital Corporation Community Health Needs Assessment*

State Wide Priority – Supporting Health Care Reform and address the unmet health needs of the uninsured.

Community Partners – Rose Baker Senior Center and the Rockport Council on Aging.

Background - The SHINE (Serving the Health Information Needs of Elders) Program provides health insurance counseling services to elderly and disabled adults. SHINE counselors are trained to handle complex questions about Medicare, Medicare supplements, Medicare Health Maintenance Organizations, public benefits with health care components, Medicaid, free hospital care, prescription drug assistance programs, drug discount cards, and long-term health insurance.

U.V. Melanoma Education Program for YMCA Campers

Target Population – Child (young), under/uninsured, male, female, all races

Baseline Measurement – Cancer is the second leading cause of death in the region and several cities/towns have higher rates of certain cancers, such as skin, colorectal and breast cancer than the state. For all reported new cancer cases (per 100,000) Essex County has 528 vs. the state at 518. In terms of death rates (per 100,000), both Essex County and the state are equal at 188. *Northeast Hospital Corporation Community Health Needs Assessment.*

State Wide Priority – Chronic Disease Management for disadvantaged populations

Community Partners – North Shore YMCA and the Danvers Family YMCA.

Background - The purpose of the U.V. Melanoma Protection / Prevention Month which was held in July is to address one of the health concerns in regard to overall skin care. This program is targeted towards young children and their parents. We will be offering them a "Fun in the Sun" package. We have many coastal communities in our primary service area and many of them have more than one beach. Many families spend time on the beach during the summer elevating their risk for skin cancer. Our package is a perfect tie-in to the beach communities. In FY '11 we were able to provide 800 kits, (sand pail / shovel, beach ball, sun screen and supporting material from the American Cancer Society's "Slip, Slap, Slop" program as well as a brochure on Oncology services at Northeast Hospital Corporation.

Physical Activity Club (PAC) Program in Partnership with the Northshore YMCA

Target Population – Adult (All), Child (young, teen, primary school), under/uninsured, male, female, all races

Baseline Measurement – Respondents reported high rates of overweight and obesity (55%), lack of physical activity (45%) and inadequate consumption of fruits and vegetables (82%). Low-income residents were more likely to be obese and less likely to be physically active. *Northeast Hospital Corporation Community Health Needs Assessment.*

State Wide Priority – Chronic Disease Management for disadvantaged populations and Promoting wellness of vulnerable populations.

Community Partners – North Shore YMCA

Background - The PAC Program provides private, one-on-one coaching or counseling to guide each family. This is an approach to teaching the basic fundamentals of good nutritional practices and encouraging increased physical activity. The unique cornerstone of the PAC Program is the family centered approach. A parent or caretaker is required to have participation in weekly sessions. Each family is engaged with a personal coach as he/she guides each family to achieve healthy lifestyle goals that were developed in collaboration with Northeast Hospital Corporation.

After enrolling, each PAC family: meets with a coach/counselor once a week who provides on-going motivation and support. Each family Receives a PAC kit to record all their physical activity; baseline metrics are assessed

at the beginning and end of the program to establish short and long-term health goals; families learn a different nutrition or healthy living topic each week and each family receives a 12-week membership to a community branch of the North Shore YMCA, which including access to fitness center, pool and activities.

Fiscal Year 2011 – Required Financials

Community Benefits Programs

Expenditures	Amount
Direct Expenses	[illegible]
[illegible]	[illegible]
Determination of Net Expenditures	[illegible]
[illegible]	[illegible]
Other Leveraged Resources	[illegible]

Net Charity Care

Expenditures	Amount
[illegible]	[illegible]
[illegible]	[illegible]
Free Discounted Care	[illegible]
[illegible]	[illegible]

Corporate Sponsorships

Expenditures	Amount
Corporate Sponsorships	[illegible]

Totals

[illegible]	[illegible]
Total Spending for FY '11	[illegible]
[illegible]	[illegible]
Approved Budget for FY '12	[illegible]

Community Services Programs

Expenditures	Amount
Direct Expenses	[illegible]
[illegible]	[illegible]
Determination of Net Expenditures	[illegible]
[illegible]	[illegible]
Other Leveraged Resources	[illegible]
[illegible]	[illegible]

Current Status: In Draft By E-File User **Data as of:** 2/29/2012 1:43.52 PM

Organization Information

Organization Address and Contact Information

Organization Name:	Northeast Hospital Corporation
Address (1):	85 Herrick Street
Address (2):	Not Specified
City, State, Zip:	Beverly , Massachusetts 01915
Web Site:	www beverlyhospital.org
Contact Name:	Gerald B. MacKillop Jr , M.B.A.
Contact Title:	Public Relations Manager
Contact Department:	Marketing & Business Development
Telephone Num:	978-236-1615
Fax Num:	978-236-1670
E-Mail Address:	gmackill@nhs-healthlink org
Contact Address (1): (If different from above)	500 Cummings Center
Contact Address (2):	Suite 6500
City, State, Zip:	Beverly , Massachusetts 01915

Organization Type and Additional Attributes

Organization Type:	Hospital
For-Profit Status:	Not-For-Profit
DHCFP ID:	2907 & 2016
Health System:	Not Specified
Community Health Network Area (CHNA):	Community Health Network North (Beverly/Gloucester)(CHNA 13)
Regional Center for Healthy Communities (RCHC):	3
Regions Served:	County-Essex

CB Mission

Community Benefits Mission Statement

The Community Benefits Program at Northeast Hospital Corporation is a program established to partner with community leaders and organizations to assess the health care needs of the community. NHC incorporates the Community Health concepts of wellness, adaptation, self-care and health promotion. Strategies used in Community Benefits health activities include prevention, early detection, early intervention, long-term management and collaborative efforts with the affiliate organizations that make up Northeast Health System. Health issues addressed encompass safety, chronic disease, infectious disease, substance abuse and behavioral health.

Also included with the Community Benefits Mission Statement are the mission statements of Northeast Health System and Northeast Hospital Corporation. The corporate Mission Statement is founded in the concepts of quality, caring and community.

(Approved by the Community Benefits Committee, July 7, 2010)

Target Populations

Name of Target Population	Basis for Selection
Health Issues	Community Health Needs Assessment
Types of Programs	Community Health Needs Assessment

Sex	Community Health Needs Assessment
Race / Ethnicity	Community Health Needs Assessment
Age	Community Health Needs Assessment
Insured Status	Community Health Needs Assessment

Publication of Target Populations
Not Specified

Hospital/HMO Web Page Publicizing Target Pop.
Not Specified

Key Accomplishments of Reporting Year
•In FY '11 we launched a free pediatric speech and language screening at Beverly Hospital, which was managed by the Speech-Language Therapy Department. Screenings were provided for children 18 months to seven years of age. The thirty minute screening helped to identify if a child is developmentally appropriate in terms of their speech, language, or feeding skills. We screened 167 children and 74 children needed further evaluation.
•In FY '11 we added five new support groups. Key findings in our community health needs assessment indicated a need for the following: Stroke, Ostomy, Nicotine, Diabetes and Child Loss.
•In FY '11 we provided 135 Speaker Bureau presentations within our primary service area. Our Speakers Bureau is made up of physicians, social workers, nurses and other clinical staff.
•In FY '11 we provided 46 free blood pressure clinics and had 1,055 "patients" attend our free weekly sessions. Out of the 1,055 "patients" 45 had high blood pressure readings.
•In FY '11 we participated in 91 health fairs or wellness clinics.
•In FY '11 Beverly Hospital Co-Sponsored a YMCA of the USA grant with the Greater Beverly YMCA and were one of ten funded applicants across the United States.
•In FY '11 in partnership with the Healthy Gloucester Collaborative and Action Inc., Addison Gilbert Hospital launched a PILOT Program in the Emergency Department Called SBIRT (Screening, Brief Intervention, and Referral to Treatment) is a research supported model that gives healthcare providers the skills to discuss health behavior changes with their patients in a positive way. This is used with high risk and dependent alcohol and drug users who are in an emergency department environment.
•In FY '11 NHC launched a healthy cooking show called Men In Aprons. With the executive chefs at Addison Gilbert and Beverly hospitals as well as the clinical nutrition department a show was developed with healthy spins on popular dishes. Men in Aprons airs on social media platforms such as facebook and YouTube and on the hospital's website beverlyhospital.org.

Plans for Next Reporting Year
•Successfully complete a comprehensive community health needs assessment for Gloucester, Rockport, Manchester, Essex, Ipswich, Hamilton and Wenham. Northeast Hospital Corporation has hired John Snow, Inc., as the project consultant.
•Develop a community benefit action plan to address the health concerns found as a result of the community health needs assessment.
•Launch a free after school health and wellness program to be called "Passport to Fitness & Health" at Veteran's Memorial School in Gloucester, MA. Over seventy percent of the students at this school are eligible for free or reduced school lunches. This will be a formal partnership with the Cape Ann YMCA, The Open Door, Gloucester Public Schools and The Food Project.
•NHC seeks to address health concerns through a grant initiative, the Northeast Hospital Corporation's Community Collaborative Grant. NHC requests applications for funding that relate to one of the main focuses of the Community Health Needs Assessment. These include the following: Mental and Behavioral Health; Chronic Disease Management (Heart Disease, Diabetes and Cancer) or Access to Healthcare Services. NHC will allocate up to $30,000 in grant funding to support innovative initiatives that are designed to: Promote mental and behavioral health education, prevention, and early intervention; Improve chronic disease prevention (as it relates to diabetes, stroke, cancer, and heart disease) and promote healthy lifestyles; Publicize available health resources and activities in the community.

Community Benefits Process

Community Benefits Leadership/Team
William Donaldson, Esq. - Senior Vice President and General Counsel
Charles Favazzo - Trustee
Charles Furbush - Trustee
Joseph Haley, Esq. - Trustee
Kenneth Hanover - President and Chief Executive Officer
Robert Irwin - Trustee
Gerald MacKillop, Jr., MBA - Public Relations Manager
Mari Menezes - Trustee
Lisa Neveling - Director, Marketing and Business Development
Nancy Palmer - Chairwoman, Northeast Hospital Corporation Board of Trustees
Susan Payson - Senior Vice President of Philanthropy
Joseph Perreira - Controller
David St. Laurent - Chairman, Northeast Health System Board of Trustees

Community Benefits Team Meetings
Not Specified

Community Partners
Beverly Community Council

Starling Center YMCA Beverly
Essex Park Rehab Beverly
Beacon Hospice, Beverly
Beverly High School
Beverly Senior Center
BevCam
Herrick House Beverly
Memorial School Beverly
First Baptist Church of Beverly
Beverly Resource Group
Cape Ann Chamber of Commerce
Danvers Senior Center
First Church in Danvers
Center for Healthy Aging Danvers
Peabody Institute Library Danvers
Stop & Shop Danvers
Danvers Rotary
St John's Prep, Danvers
Danvers Kiwanis Club
Danvers YMCA
North Shore Community College, Danvers
Essex Senior Cente
Action Inc. Gloucester
Gloucester Stroke Club
Rose Baker Senior Center Gloucester
Gloucester Breast Cancer Support Group
Shaws Gloucester Eastern Ave
Gloucester Rotary
Hamilton Wenham Regional High School
Hamilton Wenham Rotary
Ipswich Council on Aging
Ipswich YMCA
Ipswich Senior Center
Bridgewell Lynnfield
Lynnfield Senior Center
Lynnfield Council on Aging
Marblehead Council on Aging
Marblehead Senior Center
Jewish Community Center Marblehead
Flint Public Library Middleton
Middleton Council on Aging
Middleton Senior Center
Peabody Senior Center
Peabody Institute Library Peabody
Peabody Glen Health Care Center
Peabody Council on Aging
Brooksby Village Peabody
Rockport Rotary Club
Rockport Senior Center
Salem Council on Aging
Topsfield Council on Aging
Wenham Council on Aging
Elson Village Wenham
Wenham Council on Aging
Beverly Chamber of Commerce
Peabody Area Chamber of Commerce
Healthy Gloucester Collaborative
Cell 8 Gloucester
North Shore Chamber of Commerce
Cape Ann Channel 12 Public Access
Danvers Community Access Television
American Red Cross of Northeast Massachusetts
Beverly Main Streets
North Shore United Way
Endicott College
YMCA of the North Shore
North Shore Community Health Network Area
Gloucester Health Department
Beverly Health Department
Healthy Peabody Collaborative

Community Health Needs Assessment

Date Last Assessment Completed and Current Status

In 2007 John Snow Inc. (JSI) was contracted by NHC to conduct a comprehensive needs assessment that would identify the major concerns and priorities on the North Shore so that NHC could develop community health programming and services that would more effectively meet the needs of the community. The assessment process is intended to inform NHC 's five-year strategic plan to ensure that its services and community health programs remain responsive to the communities they serve and that strong partnerships are built and renewed with the communities and other stakeholders in the area. The following is a summary of the process and methods used during the three phase assessment. The report and roll-out plan were completed in June 2009

NHC will conduct a comprehensive needs assessment that will launch in October 2011 and will focus on the following communities, Gloucester Rockport, Essex, Manchester, Ipswich, Hamilton and Wenham

Consultants/Other Organizations

John Snow, Inc. (JSI)
Alice K. McKinney
Project Manager
44 Farnsworth Street
Boston, MA 02210
http://www.jsi.com

Data Sources

Community Focus Groups, Hospital, Interviews, MassCHIP, Public Health Personnel, Surveys, CHNA

Community Benefits Programs

Northeast Hospital Corporation - Support Group Program

Program Type	Support Group
Brief Description or Objective	All support group programs are free to the community. NHC facilitated and hosted 243 support group sessions in FY '11, the breakdown is 128 in Beverly, 91 in Gloucester and 24 in Danvers.
Target Population	• **Regions Served:**County-Essex • **Health Indicator:**Mental Health, Other: Alcohol and Substance Abuse, Other: Alzheimer Disease, Other: Bereavement, Other: Cancer, Other: Cancer - Breast, Other: Cancer - Other, Other: Cancer - Prostate, Other: Diabetes, Other: Parenting Skills, Other: Smoking/Tobacco, Other: Stroke, Tobacco Use • **Sex:**All • **Age Group:**All Adults • **Ethnic Group:**All • **Language:**English

Goals
Statewide Priority: Promoting Wellness of Vulnerable Populations

Goal Description	Goal Status
Short Term Goal - To continue to offer a number of support groups have been formed in answer to patients and families' needs to connect to others for help through a difficult time in their lives. Support groups can help to inform, console and lift the spirit . all part of the healing process.	On-Going
Long Term Goal - To implement 2 new support groups, based on an identified need through the community health needs assessment over the next 3 years.	Goal was achieved in May 2011

Partners

Partner Name, Description Partner Web Address

Beverly Bootstraps Community Serivces	http://beverlybootstraps.org/
Contact Information	Tina Ketchopulos Community Relations Coordinator 500 Cummings Center, Suite 6500 Beverly, MA 01915 (978) 236-1650, tketchop@nhs-healthlink.org
Detailed Description	Not Specified

Northeast Hospital Corporation's Speakers Bureau

Program Type	Community Education
Brief Description or Objective	Speakers Bureau - The Beverly and Addison Gilbert hospitals' Speakers Bureau is a free service designed to bring timely information on a variety of health-related topics. Speakers include physicians, registered nurses, dietitians, physical therapists, pharmacists and other healthcare professionals.
Target Population	• **Regions Served:**County-Essex • **Health Indicator:**Injury and Violence, Mental Health, Other: Alcohol and Substance Abuse, Other: Alzheimer Disease, Other: Arthritis, Other: Asthma/Allergies, Other: Cancer - Other, Other: Cardiac Disease, Other: Chronic Pain , Other: Diabetes, Other: Elder Care, Other: Hearing, Other: Hypertension, Other: Nutrition, Other: Smoking/Tobacco, Other: Stress Management, Other: Stroke, Other: Vision , Overweight and Obesity • **Sex:**All • **Age Group:**Adult, Adult-Elder, Adult-Young, Child-Teen • **Ethnic Group:**All • **Language:**English

Goals
Statewide Priority: Promoting Wellness of Vulnerable Populations, Reducing Health Disparity

Goal Description	Goal Status
Northeast Hospital Corporation (NHC) was able to offer 147 free educational presentations in our service area during FY '11. The following is a breakdown by town / city: Gloucester – 29, Rockport, - 3, Beverly – 29, Danvers – 21, Manchester – 3, Peabody 11, Salem 1, Topsfield – 10 Hamilton/ Wenham - 13, Middleton - 10 Ipswich -6, Marblehead 2, North Shore, 4, Tri-town, 3, North Andover, 2	Complete
• Provide information about healthy living and illness prevention for the following health related topics – neurological health, cardiac health, cancer, senior health, infectious disease, child development, parenting, diabetes, fitness/exercise, memory loss/dementia/Alzheimer's, arthritis and joint pain, ophthalmology, behavioral	On Going

health, nutrition, women's health, nervous system, nephrology, men's health, respiratory, hypertension and chronic pain management.	
• To recruit 10 additional physicians over the next two years to develop presentations directly stemming from data and results of the community health needs assessment.	In FY '11, four new physicians enrolled in the Speakers Bureau program.

Partners

Partner Name, Description	Partner Web Address
Danvers Council on Aging, Gloucester Stroke Club, Danvers Community Access TV, Middleton Council on Aging, Hamilton Council on Aging, North Shore Neuropathy Support Group, Brooksby Village, Rose Baker Senior Center, Topsfield Council on Aging, North Shore Mothers of Multiples Support Group, Wenham Council on Aging, Beverly Council on Aging, Rockport Council on Aging, Gloucester Emergency Preparedness Team, Endicott College, CoCo Key Hotel and Water Park, Tri Town School District, Hamilton Wenham Regional School District, Boston North Fitness Center, Peabody Glenn Nursing Home, Flint Public Library, Ipswich Council on Aging, Marblehead Parkinson's Support Group, Manchester Men's Club, Beverly Public Schools, Gloucester Public Schools, Manchester Essex Regional School District, Salem State College, Shaw's Market Gloucester, Stop & Shop Danvers, Masconomet High School, Peabody Council on Aging, North Shore YMCA, Middleton Board of Trade, The Herrick House, Spectrum North Andover, Safe Harbor Retirement Planning, NOAA	

Gloucester, Gloucester Council on Aging

Contact Information	Tina Ketchopulos, Community Relations Coordinator: Marketing & Business Development 500 Cummings Center, Suite 6500 Beverly, MA 01915 978-236-1650, tketchop@nhs-healthlink.org
Detailed Description	Not Specified

Community Skin Cancer Clinic

Program Type	Health Screening
Brief Description or Objective	The Community Skin Cancer Clinic, in partnership with the American Cancer Society and the Melanoma Foundation. Patients call to schedule an appointment with one of our Oncologists. At the clinic, patients are provided with a thorough examination and information on skin cancer prevention. If they were in need of further evaluation and treatment, the findings could be shared with their primary care physician.
Target Population	• **Regions Served:**County-Essex • **Health Indicator:**Other: Cancer - Skin • **Sex:**All • **Age Group:**All Adults, Child-Teen • **Ethnic Group:**All • **Language:**English

Goals
Statewide Priority: Not Specified

Goal Description	Goal Status
In FY '11, the program aimed to launch a second clinic day and that was achieved in September 2011. 100 patients participated in two community skin cancer clinics. Out of the 100 patients we saw, 71 needed further treatment and or evaluation.	Complete
The goal of the program is to educate patients as well as offer preventative services to patients. NHC oncologists and oncology nurse partner to help intervene with early detection of skin cancer.	On Going
To implement a two more community skin cancer clinics by 2014. One additional clinic at Beverly Hospital and one at Adison Gilbert Hospital.	Northeast Hospital Corporation added a screening at Addison Gilbert Hospital in September 2011.

Partners

Partner Name, Description	Partner Web Address
American Cancer Society	www.cancer.org

Melanoma Foundation of New England www.melanomafoundationne.org

Contact Information	Tina Ketchopulos, Community Relations Coordinator, Marketing & Business Development 500 Cummings Center Suite 6500 Beverly, MA 01915 978-236-1650, tketchop@nhs-healthlink org
Detailed Description	Not Specified

Pediatric Speech and Language Screening

Program Type	Health Screening
Brief Description or Objective	Pediatric Speech screenings are 30 minutes in duration and were used to identify if a child is developmentally appropriate in terms of their speech, language, or feeding skills. If a child qualified for further evaluation, the family was assisted by a speech/language pathologist who assisted in scheduling a comprehensive speech/language evaluation. Early identification and intervention is key to addressing developmental delays.
Target Population	• **Regions Served:**County-Essex • **Health Indicator:**Other Hearing • **Sex:**All • **Age Group:**All Children • **Ethnic Group:**All • **Language:**English

Goals
Statewide Priority: Promoting Wellness of Vulnerable Populations

Goal Description	Goal Status
In FY '11 we facilitated 3 month long screenings. Screenings were provided for children 18 months to seven years of age. We screened 163 children and 74 children needed further evaluation.	Complete
Offer three pediatric speech screenings per year at Beverly Hospital, for an entire month (October, May, June) and	On Going
To expand the program to Addison Gilbert Hospital by 2013, by offering a month long session.	Not Complete

Partners

Partner Name, Description	Partner Web Address
Not Specified	

Contact Information	Gerald MacKillop, JR., MBA Public Relations Manager, Marketing & Business Development 500 Cummings Center Suite 6500 Beverly, MA 01915 978 236-1615, gmackill@nhs-healthlink.org
Detailed Description	Not Specified

Health Promotion Advocate - Pilot Program

Program Type	Community Education,Direct Services,Health Screening

Brief Description or Objective	In FY '11 in partnership with the Healthy Gloucester Collaborative and Action Inc , Addison Gilbert Hospital launched a PILOT Program in the Emergency Department. Called SBIRT (Screening, Brief Intervention, and Referral to Treatment) is a research supported model that gives healthcare providers the skills to discuss health behavior changes with their patients in a positive way. This is used with high risk and dependent alcohol and drug users who are in an emergency department environment
Target Population	• **Regions Served:**Essex, Gloucester, Rockport • **Health Indicator:**Mental Health, Other: Alcohol and Substance Abuse, Other: Drunk Driving, Other: Smoking/Tobacco, Substance Abuse, Tobacco Use • **Sex:**All • **Age Group:**All Adults, Child-Teen • **Ethnic Group:**All • **Language:**English

Goals
Statewide Priority: Not Specified

Goal Description	Goal Status
In FY '11 our Health Promotion Advocate screened 144 patients who presented in the Addison Gilbert Hospital Emergency Department, 62 patients or roughly 43% screened positive for risky alcohol or drug use.	Complete
Have service available for 18 hours per week from 4 – 10.30 p.m.	Complete
The health promotion advocate had a follow up rate of 34% Of that total percent of follow up consultations 83.3% made a positive change in their behavior 50% stopped drinking and 33.3% reduced their drinking	Complete
To establish a similar program at Beverly Hospital by 2014.	Planning to begin in calendar year 2012.

Partners

Partner Name, Description	Partner Web Address
Healthy Gloucester Collaborative	healthygloucester.org
Gloucester Health Department	http://www.gloucester-ma.gov/index.aspx?NID=183
Action, Inc	www.actioninc.org
Massachusetts Department	http://www.mass.gov/eohhs/gov/departments/dph/

of Public Health

Contact Information	Gerald MacKillop, Jr., MBA Public Relations Manager Marketing and Business Development 500 Cummings Center Suite 6500 Beverly, MA 01915 978-236-1650, gmackill@nhs-healthlink.org
Detailed Description	Not Specified

Weekly Walk-In Blood Pressure Clinic at Addison Gilbert Hospital

Program Type	Health Screening
Brief Description or Objective	The Addison Gilbert Hospital Weekly blood pressure clinic is a free screening offered in Gloucester, MA. The clinic is open from 1-3 p.m. every Monday (excluding Holidays) in the Women's Health Conference Room.
Target Population	• **Regions Served:** Essex, Gloucester, Rockport • **Health Indicator:** Other Hypertension • **Sex:** All • **Age Group:** All Adults • **Ethnic Group:** All • **Language:** English

Goals
Statewide Priority: Not Specified

Goal Description	Goal Status
In FY '11, 1,055 patients accessed the free weekly blood pressure clinic. 45patients had high blood pressure readings.	Complete
The goal of the program is to educate patients as well as offer preventative services to patients Registered nurses see patients, take blood pressures, review medications, council and if necessary, contact the primary care physician or nurse practitioner if changes need to be made or a high reading was taken.	On Going
To implement a walk in weekly blood pressure clinic at Beverly Hospital at Danvers within the next 2 years.	In FY '11 we were able to add one walk-in clinic at Beverly Hospital at Danvers. We saw 28 patients and 3 had high blood pressure readings

Partners

Partner Name, Description	Partner Web Address
Not Specified	

Contact Information	Gerald MacKillop, Jr., MBA Public Relations Manager Marketing and Business Development 500 Cummings Center Suite 6500 Beverly, MA 01915, gmackill@nhs-healthlink.org
Detailed Description	Not Specified

15 Minutes with a Pharmacist

Program Type	Community Education
Brief Description or Objective	Northeast Hospital Corporation pharmacists offered medication reconciliation while educating patients on medication disposal efforts, safety precautions and assisting them in filing out a medication card. The pharmacist discussed personal safety when dealing with prescription medication. They discuss safe storage techniques and the importance of properly disposing of their unwanted and/or unused medications
Target Population	• **Regions Served:**County-Essex • **Health Indicator:**Immunization, Other Safety, Substance Abuse • **Sex:**All • **Age Group:**All Adults • **Ethnic Group:**All • **Language:**English

Goals
Statewide Priority: Not Specified

Goal Description	Goal Status
To Assist four patients in a one hour session and 8 patients in a two hour session, and to offer at least four sessions per month in various communities in our primary service area	On Going
In FY '11 we facilitated 29 sessions in our primary service area	Complete
To expand 15 Minutes with a Pharmacist to three new communities within the next three years	Planning

Partners

Partner Name, Description	Partner Web Address
Rose Baker Senior Center	
Ipswich Council on Aging	http://www.town.ipswich.ma.us/index.php?option=com_content&view=category&id=50&Itemid=80
Healthy Gloucester Collaborative	www.healthygloucester.org
Danvers Council on Aging	www.dcoa.org
Beverly Police Department	www.beverlypd.org
Danvers Police Department	www.danverspolice.com

Contact Information	Gerald MacKillop, Jr., MBA Public Relations Manager Marketing & Business Development 500 Cummings Center Suite 6500 Beverly, MA 01915 978-236-1615, gmackill@nhs-healthlink.org
Detailed Description	Not Specified

Serving Health Information Needs of Elders (SHINE)

Program Type	Community Education,Health Coverage Subsidies or Enrollment,Outreach to Underserved
Brief Description or Objective	The SHINE (Serving the Health Information Needs of Elders) Program provided health insurance counseling services to elderly and disabled adults. SHINE counselors are trained to handle complex questions about Medicare, Medicare supplements, Medicare Health Maintenance Organizations, public benefits with health care components, Medicaid, free hospital care, prescription drug assistance programs, drug discount cards, and long-term health insurance
Target Population	• **Regions Served:**County-Essex • **Health Indicator:**Access to Health Care, Other: Uninsured/Underinsured • **Sex:**All • **Age Group:**All Adults • **Ethnic Group:**All • **Language:**English

Goals
Statewide Priority: Not Specified

Goal Description	Goal Status
In FY '11 Our SHINE Counselors' Managed 2033 client contact forms, had 1,712 visits, spent 890 hours with the beneficiary for all contacts the breakdown was 761 male and 1,272 female beneficiaries. The age breakdown is as follows' Under 65 ~ 370; 65 - 74 ~ 895, 75 - 84 ~ 544; 85 · ~ 221 and not reported ~ 3.	Complete
To provide education and assistance to elders who need guidance as it relates to their healthcare insurance	On Going
To implement a similar program to take place Beverly Hospital at Danvers (one time per week) within the next 2 years.	Planning
To implement a similar program at the Rockport Council on Aging in Fiscal Year 2011	Complete

Partners

Partner Name. Description	Partner Web Address
Rose Baker Senior Center	
Rockport Council on Aging	

Contact Information	Sefatia Romeo-Theken Community Health Liasion Addison Gilbert Hospital 298 Washington Street Gloucester, MA 01930, sromeo@nhs-healthlink.org
Detailed Description	Not Specified

U.V. / Melanoma Prevention Program

Program Type	Community Education,Prevention
Brief Description or Objective	The purpose of the U.V. Melanoma Protection / Prevention Month which was held in July to address one of the health concerns in regard to overall skin care. This program is targeted towards young children and their parents. We offered them a "fun in the sun" package. We have many coastal communities in our primary service area and many of them have more than one beach. Many families spend time on the beach during the summer elevating their risk for skin cancer. Our package is a perfect tie in to the beach communities
Target Population	• **Regions Served:**County-Essex • **Health Indicator:**Other Cancer - Skin • **Sex:**All • **Age Group:**Child-Preschool, Child-Preteen, Child-Primary School • **Ethnic Group:**All • **Language:**English

Goals
Statewide Priority: Not Specified

Goal Description	Goal Status
In FY '11 we were able to provide 800 kits, (sand pail / shovel, beach ball, sun screen and supporting material from the American Cancer Society's "Slip, Slap, Slop" program as well as a brochure on Oncology services at Northeast Hospital Corporation	Complete
To educate children and parents about the danger of UV Rays as well as Melanoma	On Going
To offer communities with a program to prevent skin related health concerns	On Going
To incorporate this program in the Beverly Recreation Department Summer Camp Program within the next two years	Planning

Partners

Partner Name, Description	Partner Web Address
North Shore YMCA	northshoreymca.org
Danvers Family YMCA	danversymca.net

Contact Information	Gerald MacKillop, Jr., MBA Public Relations Manager Marketing & Business Development 500 Cummings Center Suite 6500 Beverly, MA 01915 978-236-1615, gmackill@nhs-healthlink.org
Detailed Description	Not Specified

Physical Activity Club (PAC) Program

Program Type	Community Education,Health Screening,Prevention
Brief Description or Objective	The PAC Program provides private, one-on-one coaching or counseling to guide each family. This is an approach to teaching the basic fundamentals of good nutritional practices and encouraging increased physical activity. The unique cornerstone of the PAC Program is the family centered approach. A parent or caretaker was required to have participation in weekly session. Each family was engaged with a personal coach as he/she guided each family to achieve healthy lifestyle goals that were developed in collaboration with Northeast Hospital Corporation.
Target Population	• **Regions Served:**County-Essex • **Health Indicator:**Other: Cardiac Disease, Other: Diabetes, Other: Hypertension, Other: Nutrition, Other: Parenting Skills, Overweight and Obesity, Physical Activity • **Sex:**Not Specified • **Age Group:**All, Child-Preteen, Child-Primary School, Child-Teen • **Ethnic Group:**All • **Language:**English

Goals
Statewide Priority: Not Specified

Goal Description	Goal Status
Offer Program throughout the Northshore YMCA's service area in FY '11	Complete
To have 35 families successfully complete the twelve week program	Complete. In FY '11, 40 families completed the program.

Partners

Partner Name, Description	Partner Web Address
Northshore YMCA	www.northshoreymca.org

Contact Information	Gerald MacKillop, Jr., MBA Public Relations Manager Marketing and Business Development 500 Cummings Center Suite 6500 Beverly, MA 01915 978-236-1615 . gmackill@nhs-healthlink.org
Detailed Description	Not Specified

Expenditures

Community Benefits Programs

Expenditures	Amount
Direct Expenses	$1,226,114
Associated Expenses	0
Determination of Need Expenditures	0
Employee Volunteerism	$8,181
Other Leveraged Resources	0

Net Charity Care

Expenditures	Amount
HSN Assessment	$4,136,668

HSN Denied Claims	$108,734
Free/Discount Care	$446,803
Total Net Charity Care	$4,692,205

Corporate Sponsorships	$121,793
Total Expenditures	$5,944,278
Total Revenue for 2011	$311,465,737
Total Patient Care-related expenses for 2011	$288,288,459
Approved Program Budget for 2012 (*Excluding expenditures that cannot be projected at the time of the report.)	$600,325

Comments: Not Specified

Optional Information

Community Service Programs

Expenditures	Amount
Direct Expenses	Not Specified
Associated Expenses	Not Specified
Determination of Need Expenditures	Not Specified
Employee Volunteerism	$8,181
Other Leveraged Resources	Not Specified
Total Community Service Programs	Not Specified

Full-Text PDF Report: Not Specified

Original Full-Text Report: Not Specified

Bad Debt:	$9,283,019	Certified
IRS 990:	$11,190,043 2009	

Current Status: In Draft By E-File User **Data as of:** 2/29/2012 1.43 52 PM

Glossary of Terms

Community Benefits Guidelines: The Attorney General's Community Benefits Guidelines for Nonprofit Acute-Care Hospitals and The Attorney General's Community Benefits Guidelines for Health Maintenance Organizations.

Community Benefits Manager: A hospital or HMO employee directly responsible for the development and management of a Community Benefits Program or Community Service Program.

Community Benefits Plan: A formal plan to address the health needs of an identified community, developed in accordance with the principles of the Community Benefits Guidelines, with appropriate community participation, and approved by the hospital or HMO's governing board.

Community Benefits Program: A program, grant or initiative developed in collaboration with community representatives or based upon a Community Health Needs Assessment that serves the needs of a Target Population identified in the hospital or HMO's Community Benefits Plan.

Community Health Needs Assessment: A process through which a hospital or HMO, in partnership or consultation with representatives of its community, identifies community health needs using public health data, community surveys, focus groups and other community-initiated information and data gathering activities, and/or other relevant health status indicators and data.

Community Service Program: A program, grant or other initiative that advances the health care or social needs of Massachusetts communities, but is not related to the priorities or Target Population identified in the hospital or HMO's formal Community Benefits Plan.

Corporate Sponsorships: Cash or in-kind contributions that support the charitable activities of other organizations, and are not related to a Community Benefits Plan.

Expenditures:

Direct Expenses: May include (1) the salary and fringe benefits (or a portion thereof) of a Community Benefits Manager and his or her staff; (2) the value of employee time devoted to a Community Benefits Program or Community Service Program during paid work hours or leave time (calculated either at the rate of t he employees' pay or using the averages set forth below in the definition of Employee Volunteerism); (3) any purchased services or supplies directly attributable to the Community Benefits or Community Service Program, including contractual and non-contractual agreements with other organizations or individuals to develop, manage or provide the benefit or service, including leases/rentals of equipment or building space; (4) the costs associated with generating Other Leveraged Resources; (5) dues subsidies and other financial assistance aimed at making health coverage more affordable for the uninsured or those at risk of losing health coverage, and (6) grants to third parties in furtherance of a community benefit or community service objective.

Associated Expenses: May include (1) depreciation or amortization related to the use of major movable equipment purchased or leased directly for the Community Benefits or Community Service Program, and (2) a share of any fixed depreciation on a building or space therein used solely or in major part for a community benefit or service.

Determination of Need Expenditures: Direct or Associated Expenses related to Community Benefits Programs or Community Service Programs provided by a hospital in fulfillment of a specific determination of need condition established by the Massachusetts Department of Public Health pursuant to 105 CMR 100.

Employee Volunteerism: An employee's voluntary activities in connection with a hospital or HMO Community Benefits Program or Community Service Program that take place during unpaid time as the result of a formal hospital or HMO initiative to organize or promote voluntary participation in the particular activity among its employees. The value of free or reduced-fee direct health care or public health services volunteered by health care providers employed by the hospital or HMO should be calculated using either (a) the rate of the employee's pay, or (b) the average hourly rate for Massachusetts health care workers as calculated by the Centers for Medicare and Medicaid Services for purpose of the Medicare Area Wage Index during the reported fiscal year ($25.00 in 2001). The value of non-health care services volunteered by any employee should be calculated using the standard hourly rate set by the Independent Sector, a Washington, D.C.-based coalition of voluntary organizations, foundations and corporate giving programs, during the reported fiscal year ($15.39 in 2001).

Other Leveraged Resources: Funds and services contributed by third parties for the express purpose of supporting a hospital or HMO's Community Benefits or Community Service Programs. These include: (1) services provided by non-salaried physicians or other individual providers free of charge to free-care eligible patients in connection with a hospital's free care program, or at no charge or reduced fee to low-income patients in connection with other hospital or HMO programs (calculated using a standard cost-to-charge ratio of .60); (2) grants received from private foundations, government agencies or other third parties for the specific purpose of supporting a hospital or HMO Community Benefits or Community Service Program; and (3) monies raised from or collected by third parties as the result of a fund-raising activity sponsored by a hospital or HMO in connection with a Community Benefits or Community Service Program.
Note: These definitions identify the range of costs that hospitals and HMOs might appropriately include when calculating expenses related to their Community Benefits and Community Service Programs. They are not intended to impose an obligation on hospitals and HMOs to account for costs that they otherwise would not track. In those instances where costs are difficult to quantify, hospitals and HMOs should develop a reasonable estimate of their costs within the spirit of these guidelines. Hospitals and HMOs also should use discretion in categorizing costs that are not specified in the examples provided above.

HMO: As defined by Chapter 176G of the Massachusetts General Laws, means a company organized under the laws of the Commonwealth, or organized under the laws of another state and qualified to do business in the Commonwealth, which provides or arranges for the provision of health services to voluntarily enrolled members in exchange primarily for a prepaid per capita or aggregate fixed sum.

Hospital: A non-profit acute care hospital, as defined by Chapter 118G of the Massachusetts General Laws to include the teaching hospital of the University of Massachusetts Medical School and any hospital licensed under Section 51 of Chapter 111 and which contains a majority of medical-surgical, pediatric, obstetric and maternity beds, as defined by the Department of Public Health.

Net Charity Care/Uncompensated Care Pool Contribution: As defined under Section 1 of Chapter 118G of the Massachusetts General Laws, the amount of "free care" provided by a hospital as determined by its annual assessment plus any shortfall allocation in connection with administering the Uncompensated Care Pool Trust Fund, or an HMO's annual contribution to the Uncompensated Care Pool, as listed by the Massachusetts Division of Health Care Finance and Policy in its most current settlement for the reported fiscal year. Net Charity Care does not include hospital bad debt related to patients not eligible for free care. "shortfalls" related to Medicaid, Medicare or other health plan reimbursements that do not cover the full costs of a hospital's services or "shortfalls" related to an HMO's coverage of Plan Members enrolled through a Medicaid or Medicare program.

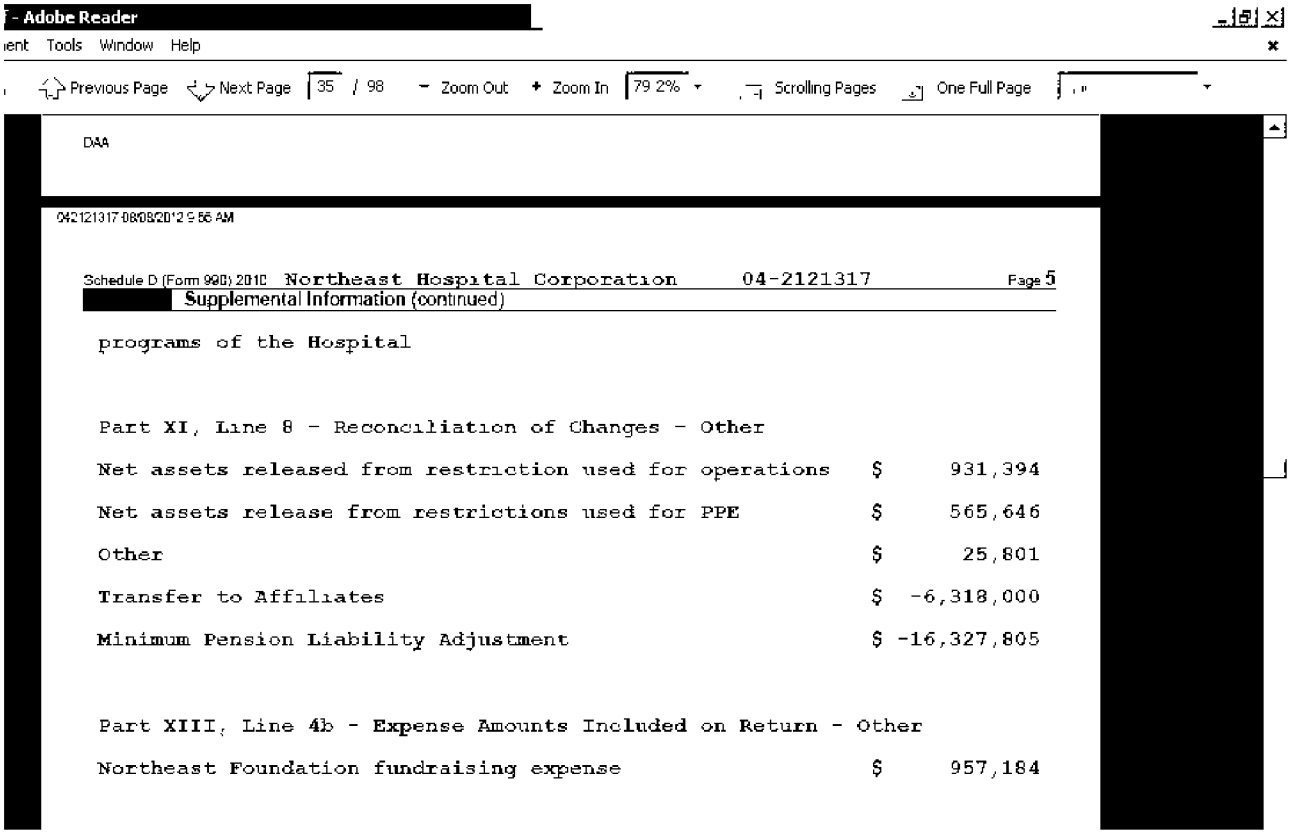
Plan Members: The average of the total number of members, as defined in Chapter 176G of the Massachusetts General Laws, enrolled in an HMO's health plans, as reported to the Division of Insurance in the four quarterly reports for the periods of time occurring during the reported fiscal year.

Target Population: The specific community or communities that are the focus of the hospital or HMO's Community Benefits Plan. A target population can be defined (1) geographically (e.g., low or moderate income residents of a municipality, county or other defined region); (2) demographically (e.g., the uninsured, children or elders, an immigrant group); (3) by health status(e.g., persons with HIV, victims of domestic violence, pregnant teens) or (4) by an issue consistent with the Community Benefits Guidelines (e.g., community building, reducing disparities in access to quality health care).

Total Patient Care-Related Expenses: Expenses, including capital, related to the care of patients as reported by hospitals to the Division of Health Care Finance and Policy on Schedule 18 of the 403 Cost Report for the reported fiscal year.

SCHEDULE D, PART XIV

Please only use the following for the description of "OTHER", in the schedule and part noted above (Book/Tax Depreciation Difference of $17,098,418 is N/A)



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Schedule D (Form 990) 2010 Northeast Hospital Corporation 04-2121317 Page 5

Supplemental Information (continued)

programs of the Hospital

Part XI, Line 8 - Reconciliation of Changes - Other

Net assets released from restriction used for operations	$	931,394
Net assets release from restrictions used for PPE	$	565,646
Other	$	25,801
Transfer to Affiliates	$	-6,318,000
Minimum Pension Liability Adjustment	$	-16,327,805

Part XIII, Line 4b - Expense Amounts Included on Return - Other

Northeast Foundation fundraising expense	$	957,184

Northeast Hospital Corporation and Affiliate

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' Reports

NORTHEAST HOSPITAL CORPORATION AND AFFILIATE

TABLE OF CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Northeast Hospital Corporation
Beverly, Massachusetts

We have audited the accompanying consolidated balance sheets of Northeast Hospital Corporation (an affiliate of Northeast Health System, Inc) and its affiliate (the "Hospital") 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 consolidated financial statements are the responsibility of the Hospital's management Our responsibility is to express an opinion on these consolidated 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 Hospital's internal control over financial reporting Accordingly, we express no such opinion An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of Northeast Hospital Corporation and its affiliate as of September 30, 2011 and 2010, and the consolidated results of their operations, consolidated changes in their net assets, and their consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Deloitte + Touche LLP

January 23, 2012

NORTHEAST HOSPITAL CORPORATION AND AFFILIATE

CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2011 AND 2010

ASSETS	2011	2010
CURRENT ASSETS		
Cash and cash equivalents	$ 16,321,984	$ 13,053,874
Patient receivables, less allowance for uncollectible accounts of $8,984,000 in 2011 and $8,410,000 in 2010	31,864,045	34,634,827
Current portion of assets whose use is limited or restricted	784,848	690,277
Supplies — at cost	5,943,215	5,900,427
Estimated third-party settlements	3,575,000	
Prepaid expenses and other current assets	6,549,297	7,132,322
Due from affiliates	2,420,779	521,501
Total current assets	67,459,168	61,933,228
ASSETS WHOSE USE IS LIMITED OR RESTRICTED		
Assets held by trustee under bond indenture agreements	4,185,160	4,659,736
Donor-restricted assets for specific purposes	6,528,093	7,638,317
Donor-restricted assets for permanent endowment	6,596,348	6,532,831
Beneficial interest in irrevocable trusts	3,294,812	3,594,455
Total assets whose use is limited or restricted	20,604,413	22,425,339
PROPERTY, PLANT, AND EQUIPMENT — Net	145,980,497	151,243,852
OTHER ASSETS		
Long-term investments	90,073,102	91,655,063
Unamortized financing costs	3,088,052	3,254,134
Due from affiliates	804,617	1,897,292
Other noncurrent assets	4,139,426	4,822,977
Total other assets	98,105,197	101,629,466
TOTAL	$332,149,275	$337,231,885

LIABILITIES	2011	2010
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 20,302,335	$ 16,197,119
Accrued wages and vacation payable	11,247,427	11,860,531
Due to affiliates	92,965	1,120,420
Estimated third-party settlements	9,463,804	8,295,344
Current portion of long-term debt	9,160,250	8,792,769
Total current liabilities	50,266,781	46,266,183
OTHER LIABILITIES		
Accrued pension liability	59,317,803	43,724,071
Postretirement medical benefits	1,980,444	2,087,918
Professional liabilities reserves	1,619,000	1,863,922
Other noncurrent accrued liabilities	16,010,923	15,902,651
Total other liabilities	78,928,170	63,578,562
LONG-TERM DEBT — Net of current portion	102,332,998	108,243,272
Total liabilities	231,527,949	218,088,017
COMMITMENTS AND CONTINGENCIES (Notes 9 and 13)		
NET ASSETS		
Unrestricted	84,202,073	101,378,265
Temporarily restricted	6,528,093	7,638,317
Permanently restricted	9,891,160	10,127,286
Total net assets	100,621,326	119,143,868
TOTAL	$332,149,275	$337,231,885

See notes to consolidated financial statements

NORTHEAST HOSPITAL CORPORATION AND AFFILIATE

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
UNRESTRICTED REVENUE AND OTHER SUPPORT		
Net patient service revenue	$ 324,769,501	$ 330,346,674
Other revenue	4,132,487	3,921,539
Net assets released from restrictions used for operations	931,394	950,834
Total unrestricted revenue and other support	329,833,382	335,219,047
EXPENSES		
Salaries and wages	141,467,012	143,554,675
Physician salaries and fees	25,363,993	27,080,902
Fringe benefits	34,118,959	34,537,252
Supplies and contracted services	95,444,661	94,175,000
Health safety net assessment	2,466,357	2,779,285
Provision for bad debts — net	9,510,135	9,853,590
Depreciation and amortization	17,378,692	18,320,672
Interest	2,359,497	2,646,487
Total expenses	328,109,306	332,947,863
INCOME FROM OPERATIONS	1,724,076	2,271,184
NONOPERATING GAINS (LOSSES) — Net	1,840,753	(2,676,891)
EXCESS (DEFICIENCY) OF REVENUE AND GAINS OVER EXPENSES AND LOSSES	3,564,829	(405,707)
OTHER CHANGES IN UNRESTRICTED NET ASSETS		
Net assets released from restriction for purchase of property, plant, and equipment	565,646	297,186
Change in net unrealized gains and losses on investments	(4,978,862)	5,785,758
Pension and other postretirement related adjustments	(16,327,805)	(3,326,153)
Total other changes in unrestricted net assets	(20,741,021)	2,756,791
(DECREASE) INCREASE IN UNRESTRICTED NET ASSETS	$ (17,176,192)	$ 2,351,084

See notes to consolidated financial statements

NORTHEAST HOSPITAL CORPORATION AND AFFILIATE

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
NET ASSETS — October 1, 2009	$ 99,027,181	$ 6,557,281	$ 6,532,727	$ 112,117,189
Deficiency of revenue and gains over expenses and losses	(405,706)			(405,706)
Restricted contributions		1,025,511	3,352,958	4,378,469
Restricted investment income and gains		41,064		41,064
Change in fair value of irrevocable trusts			241,601	241,601
Net assets released from restrictions				
Used for operations		(950,834)		(950,834)
Used for property, plant, and equipment	297,186	(297,186)		-
Change in net unrealized gains and losses on investments	5,785,757	1,262,481		7,048,238
Pension and other postretirement related adjustments	(3,326,153)			(3,326,153)
Change in net assets	2,351,084	1,081,036	3,594,559	7,026,679
NET ASSETS — September 30, 2010	101,378,265	7,638,317	10,127,286	119,143,868
Deficiency of revenue and gains over expenses and losses	3,564,829			3,564,829
Restricted contributions		927,139	63,517	990,656
Restricted investment income and gains		185,656		185,656
Change in fair value of irrevocable trusts			(299,643)	(299,643)
Net assets released from restrictions				
Used for operations		(931,394)		(931,394)
Used for property, plant, and equipment	565,646	(565,646)		-
Change in net unrealized gains and losses on investments	(4,978,862)	(725,979)		(5,704,841)
Pension and other postretirement related adjustments	(16,327,805)			(16,327,805)
Change in net assets	(17,176,192)	(1,110,224)	(236,126)	(18,522,542)
NET ASSETS — September 30, 2011	$ 84,202,073	$ 6,528,093	$ 9,891,160	$ 100,621,326

See notes to consolidated financial statements

NORTHEAST HOSPITAL CORPORATION AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) increase in net assets	$(18,522,542)	$ 7,026,679
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities		
Change in net unrealized gains and losses on investments	5,704,841	(7,048,238)
Change in beneficial interest in irrevocable trusts	299,643	(241,601)
Decrease in value of alternative investments and interest rate swaps	509,380	3,466,743
Depreciation and amortization	17,567,125	18,513,566
Provision for bad debts — net	9,510,135	9,853,590
Pension and postretirement related adjustments	16,327,805	3,326,153
Unrestricted losses on sales of securities	(1,027,176)	66,582
Loss (gain) on sale of property	127,526	(37,670)
Net earnings of affiliated organizations	(34,188)	(151,379)
Distributions from affiliated organizations	120,000	392,500
Restricted contributions, investment income, gains, and losses	(1,176,312)	(4,419,533)
(Decrease) increase in cash resulting from changes in		
Patient receivables	(6,739,353)	(8,568,223)
Other assets	1,137,976	(2,721,097)
Due from affiliates	(1,834,058)	(3,270,147)
Accounts payable, accrued expenses, and other liabilities	3,320,514	(2,466,492)
Estimated third-party settlements	(2,406,540)	(1,578,273)
Net cash provided by operating activities	22,884,776	12,143,160
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant, and equipment	(13,112,307)	(9,913,574)
Proceeds from sale of property	40,687	98,007
Cash paid for acquisitions of physician properties	(541,400)	(541,400)
Purchase of assets whose use is limited or restricted and long-term investments	(13,709,380)	(27,260,417)
Proceeds from sale of assets whose use is limited or restricted and long-term investments	12,072,215	25,544,984
Net cash used in investing activities	(15,250,185)	(12,072,400)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(5,542,793)	(5,251,754)
Proceeds from restricted contributions, investment income, gains, and losses	1,176,312	1,066,575
Net cash used in financing activities	(4,366,481)	(4,185,179)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,268,110	(4,114,419)
CASH AND CASH EQUIVALENTS — Beginning of year	13,053,874	17,168,293
CASH AND CASH EQUIVALENTS — End of year	$ 16,321,984	$ 13,053,874
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION — Cash paid for interest — net of amounts capitalized	$ 2,455,020	$ 2,653,408
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES — Property and equipment acquired on accounts payable	$ 499,922	$ 1,306,328

See notes to consolidated financial statements

1. ORGANIZATION

Northeast Health System, Inc ("Northeast") is the sole member of Northeast Hospital Corporation (NHC) and functions as the parent holding company for NHC and other affiliated organizations NHC is the sole member of Northeast Medical Practice, Inc (NMP), a corporation organized to manage and operate physician practices NHC has acute care facilities in northeastern Massachusetts and provides inpatient, outpatient, and emergency care services Admitting physicians are primarily practitioners in the local area

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Principles of Consolidation — The accompanying consolidated financial statements include the accounts of NHC and NMP (collectively, the "Hospital") NHC accounts for its interest in its controlled affiliate using the cost method of accounting Intercompany balances and transactions are eliminated in consolidation The assets of a member of the combined group may not be available to meet the obligations of another member of the group

Use of Estimates — The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates Significant estimates are made in the areas of net patient service revenue and related patient account receivables, self-insurance reserves, retirement benefits, investments without readily determinable market values, asset retirement obligations, and the accrual for estimated third-party settlements

Revenue Recognition — The Hospital has entered into payment agreements with Medicare, BlueCross BlueShield, Medicaid, and various commercial insurance carriers, managed care organizations, and preferred provider organizations The basis for payment under these agreements includes prospectively determined rates per discharge or per visit, discounts from established charges, cost (subject to limits), fee screens, prospectively determined per diem rates, capitation fees earned on a per-member, per-month basis, and pay-per-performance incentives Certain pay for performance contracts also provide for payments that are contingent upon meeting certain agreed-upon quality and efficiency measures

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Under the terms of various agreements, regulations, and statutes, certain elements of third-party reimbursement are subject to negotiation, audit, and/or final determination by the third-party payors As a result, there is at least a reasonable possibility that

recorded estimates will change by a material amount in the near term Variances between preliminary estimates of net patient service revenue and final third-party settlements are included in the year in which the settlement or change in estimate occurs The successful resolution of certain prior-year reimbursement matters increased net patient service revenue by approximately $3,907,000 and $2,539,000 in 2011 and 2010, respectively

Stop-Loss Insurance — The Hospital maintains stop-loss insurance coverage with insurance carriers in order to limit losses under certain contracts Stop-loss insurance premiums are reported in supplies and other expenses and recoveries are reported as reductions of such expenses

Consolidated Statements of Operations — For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of acute care hospital services are reported as revenue and expenses Peripheral or incidental transactions are reported as nonoperating gains and losses

Excess of Revenue and Gains over Expenses and Losses — The consolidated statements of operations include excess of revenue and gains over expenses and losses Changes in unrestricted net assets, which are excluded from excess of revenue and gains over expenses and losses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, changes in net unrealized gains and losses on investments, 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), and certain pension and postretirement-related adjustments

Cash and Cash Equivalents — Cash and cash equivalents include investments in highly liquid debt instruments with maturities of three months or less when purchased, excluding amounts classified as assets whose use is limited or restricted

Pledges Receivable — Unconditional promises to give that are expected to be collected within one year are recorded at estimated net realizable value 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 interest 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 not included as support until such time the conditions are substantially met

Supplies — Supplies are stated at the lower of cost, determined by the first-in, first-out method, or market

Investments and Investment Income — Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value Investment income on proceeds of borrowings that are held by a trustee, to the extent not capitalized, is reported as other revenue All other investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in nonoperating gains and losses unless the income or gain (loss) is restricted by donor or law Realized gains or losses on the sale of investments are determined by use of average costs Unrealized gains and losses, on investments are excluded from the excess of revenue and gains over expenses and losses, and reported as an increase or decrease in net assets, except that declines in fair value that are determined to be other-than-temporary are reported as realized losses

Alternative investments, such as partnerships and limited liability corporations, are reported using the equity method of accounting, except that alternative investments held by the pension plan are accounted for at fair value Realized and unrealized gains and losses associated with investments accounted for using the equity method are included in nonoperating gains and losses in the consolidated statements of

operations Alternative investments accounted for using the equity method of accounting, for which no quoted market prices are readily available, are carried at fair value determined based upon information provided by the investment managers The investment managers' estimates and assumptions of fair values of nonmarketable investments may differ significantly from the values that would have been used had a ready market existed, and may also differ significantly from the values at which such investments may be sold, and the differences could be material Certain of the alternative investments have restrictions on the withdrawal of the funds (see Note 12)

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 consolidated balance sheets and statements of operations

Other-Than-Temporary Impairment of Investment — The Hospital periodically reviews its investments to identify those for which market value is below cost The Hospital then makes a determination as to whether the investment should be considered other-than-temporarily impaired

At September 30, 2011, the Hospital held investments in mutual funds and common collective trusts that had a fair value of approximately $1,749,000 less than cost There were no investments where the cost exceeded the fair value in excess of one year Because the Hospital has the intent and ability to hold these investments until a recovery of fair value, the Hospital does not consider these investments to be other-than-temporarily impaired at September 30, 2011

At September 30, 2010, the Hospital held investments in mutual funds and common collective trusts that had a fair value of approximately $367,000 less than cost Of this amount, approximately $356,000 relates to investments where the cost has exceeded the fair value for in excess of one year Because the Hospital has the intent and ability to hold these investments until a recovery of fair value, the Hospital does not consider these investments to be other-than-temporarily impaired at September 30, 2010

Property, Plant, and Equipment — Property, plant, and equipment are recorded at cost or, in the case of gifts, at fair market value at the date of the gift, less accumulated depreciation Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets Expenditures for maintenance and repairs are charged to operations as incurred

Depreciation is calculated using the following estimated useful lives

Land improvements	3 to 25 years
Buildings and improvements	5 to 40 years
Fixed equipment	5 to 20 years
Major moveable equipment	3 to 20 years

Construction in progress represents amount expended towards property and equipment projects which have not been completed No provision for depreciation has been recorded for these items

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from the excess of revenue and gains over expenses and losses, unless explicit donor stipulations specify how the donated assets must be used Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long these long-lived assets must be maintained, expiration of donor restrictions is 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

Costs of Borrowing — Unamortized financing costs and bond discounts are amortized over the period the obligation is outstanding using the straight-line method, which approximates the effective interest method

Capitalized Interest — Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets Investment income from funds held by trustee under the bond indenture agreement is also capitalized Capitalized interest for the years ended September 30, 2011 and 2010, was not significant

Assets Whose Use Is Limited or Restricted — Assets whose use is limited or restricted consist of assets held by trustees under indenture agreements, donor-restricted assets, and the Hospital's beneficial interest in irrevocable trusts

Perpetual Trusts — The Hospital is the beneficiary of several trust funds administered by trustees or other third parties Trusts wherein the Hospital has the irrevocable right to receive the income earned on the trust assets in perpetuity are recorded as permanently restricted net assets at the fair value of the trust at the date of receipt The assets held in trust consist primarily of cash equivalents and marketable securities The fair values of perpetual trusts are measured using the fair value of the assets held by the trusts Income distributions from the trusts are reported as investment income that increase unrestricted net assets, unless restricted by the donor Changes in the fair value of the trusts are recorded as increases or decreases to permanently restricted net assets

Temporarily and Permanently Restricted Net Assets — Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity, and include the Hospital's beneficial interest in irrevocable trusts

Gifts — Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received Conditional promises to give, and indications of intentions to give, are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the 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

Other Noncurrent Assets — Other noncurrent assets include the Hospital's investments in affiliated organizations Investments in affiliated organizations owned 20% or more, which are not included in the consolidated financial statements, are accounted for using the equity method Investments in organizations owned less than 20% are carried at cost Also included in other noncurrent assets is the cash surrender value of life insurance and goodwill

Derivative Instruments — It is the Hospital's policy to provide sound stewardship of fiscal resources by effectively managing both the level of outstanding debt and the proportion of variable to fixed-rate debt Accordingly, the Hospital periodically enters into derivative arrangements to manage interest rate risk related to variable rate debt The Hospital records derivative instruments in the consolidated balance sheets as either an asset or liability measured at its fair value

Income Tax Status — NHC and its affiliate NMP have been recognized as tax-exempt nonprofit organizations pursuant to Section 501(c)(3) of the Internal Revenue Code (the "Code") and, accordingly, are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements

The Hospital is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress Management of the Hospital believes it is no longer subject to income tax examinations for years prior to 2007

Asset Retirement Obligations — The Hospital recognizes the liability for conditional asset retirement obligations when the Hospital has a legal obligation to perform asset retirement activities Substantially all of the asset retirement obligations relate to estimated costs to remove asbestos that is contained within the Hospital's facilities The adjustments to the carrying amount of the asset retirement obligation in 2011 and 2010 were primarily attributable to accretion expense and were not significant

Accounting for Defined Benefit Pension and Other Postretirement Plans — The Hospital recognizes the overfunded or underfunded status of its defined benefit and postretirement plans as an asset or liability in its consolidated balance sheets Changes in the funded status of the plans are reported as a change in unrestricted net assets presented below the excess of revenues and gains over expenses and losses in its consolidated statements of operations and changes in net assets in the year in which the changes occur

Functional Expenses — Substantially all expenses reported in the accompanying consolidated statements of operations are related to the delivery of health care, education, and related services

Recent Accounting Pronouncements — In July 2011, the FASB issued Accounting Standards Update (ASU) 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* The adoption of ASU 2011-07 will require the Hospital to change the presentation of its consolidated statements of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts) Additionally, the ASU will require the Hospital to provide enhanced disclosures about its sources of patient service revenue, policies for recognizing revenue and assessing bad debts, 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 Hospital beginning October 1, 2012 The adoption of ASU 2011-07 is not expected to have any impact on the Hospital's consolidated financial condition, overall results of operations or cash flows

In August 2010, the FASB issued ASU 2010-24, *Health Care Entities (Topic 954), Presentation of Insurance Claims and Related Insurance Recoveries*, 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 Hospital beginning October 1, 2011 The Hospital has not determined the impact of ASU 2010-24 on its consolidated financial statements

In August 2010, the FASB issued ASU 2010-23, *Health Care Entities (Topic 954), Measuring Charity Care for Disclosure*, which requires that cost be used as a measurement for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care It also requires disclosure of the method used to identify or determine such costs The provisions of ASU 2010-23 are effective for the Hospital beginning October 1, 2011 The adoption of ASU 2010-23 is not expected to have a material impact on the Hospital's consolidated financial statements

In January 2010, the FASB issued ASU 2010-06, *Improving Disclosures about Fair Value Measurements*, 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 Hospital adopted ASU 2010-6 effective for the year ended September 30, 2011 The adoption of ASU 2010-06 did not have a material impact on the Hospital's consolidated financial statements The enhanced disclosures are included in Note 12 to the consolidated financial statements

In September 2009, the FASB issued ASU 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent*, which amended ASC 820 to permit, as a practical expedient, the measurement of fair value of an investment on the basis of the net asset value (NAV) per share (or its equivalent) if the NAV of the investment is calculated in a manner consistent with the measurement principles of ASC No 946, *Financial Services — Investment Companies* ("ASC 946") In addition, disclosure requirements were expanded so that users can understand the nature and risks of these investments The Hospital adopted ASU 2009-12 effective for the year ended September 30, 2010 The adoption of ASU 2009-12 did not have a material impact on the Hospital's consolidated financial statements The expanded disclosures are included in Note 12 to the consolidated financial statements

3. RELATED-PARTY TRANSACTIONS

Certain salaries, supplies, and other expenditures are incurred by the Hospital for corporate-related services and are allocated to Northeast and its affiliates Such amounts aggregated $15,787,000 and $1,586,000 in 2011 and 2010, respectively, and are reflected as a reduction of expenses in the accompanying consolidated statements of operations

The increase in 2011 is a result of Northeast becoming self-insured for employee health, effective January 1, 2011 The Hospital pays all expenses on behalf of its affiliates and then allocates the expense to the affiliates

At September 30, 2011 and 2010, due from (to) affiliates consisted of the following

Due From Affiliates — Total	2011	2010
Due from Northeast Behavioral Health	$ 779,940	$1,457,593
Due from Northeast Physician Practice, Inc	444,526	437,888
Due from Northeast Health System	269,495	
Due from other affiliates	1,731,435	523,312
Total due from affiliates	3,225,396	2,418,793
Less current portion	2,420,779	521,501
Due from affiliates — net of current portion	$ 804,617	$1,897,292

Due to Affiliates — Total	2011	2010
Due to Northeast Health System, Inc	$ -	$1,027,455
Due to other affiliates	92,965	92,965
Total due to affiliates	$ 92,965	$1,120,420

Certain salaries and supplies are incurred by Northeast Behavioral Health (an affiliate of Northeast) in connection with providing behavioral health services to the Hospital Such amounts aggregated $16,150,000 in 2011 and $16,298,000 in 2010 and are reflected as expenses in the accompanying consolidated statements of operations

4. CHARITY CARE AND UNCOMPENSATED CARE

Charity Care — The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because the Hospital does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as revenue During 2011 and 2010, the Hospital provided approximately $7,591,000 and $8,276,000, respectively, in charity care The equivalent percentage of charity care to all gross patient service revenue was approximately 1 2% in both 2011 and 2010 Such amounts and percentages are determined using charges foregone based on established rates

Health Safety Net Fund — The Commonwealth of Massachusetts (the "Commonwealth") operates the Health Safety Net Fund (HSN) HSN allocates the cost of uncompensated care among the hospitals in the Commonwealth The hospitals have been assessed a uniform allowance based on estimates of the statewide cost of uncompensated care and have been reimbursed for a portion of the cost of uncompensated care, subject to certain limitations Reimbursable uncompensated care includes net charity care and certain bad debts related to emergency services The hospitals' recoveries from the HSN are based on a payment method that is claims-based and uses Medicare principles Reimbursement from the HSN for uncompensated care is recorded in net patient service revenue in the consolidated statements of operations During 2011 and 2010, the Hospital received approximately $2,006,000 and $3,079,000, respectively, from the HSN for reimbursement of uncompensated care

5. INVESTMENTS

At September 30, 2011 and 2010, investments consisted of the following

	2011	2010
Cash and money market funds	$ 4,307,242	$ 6,065,186
Debt securities	1,968,074	274,672
Mutual funds	53,781,594	58,682,046
Common collective trusts	27,309,549	25,399,226
Alternative investments	18,949,091	18,903,093
Beneficial interest in irrevocable trusts	3,294,812	3,594,455
Other	1,852,001	1,852,001
Total	$111,462,363	$114,770,679

Other investments at September 30, 2011 and 2010, include donated art, which the Hospital is carrying at fair value at the date of gift

The above are reported in the accompanying consolidated balance sheets at September 30, 2011 and 2010, as follows

	2011	2010
Current assets — assets whose use is limited or restricted	$ 784,848	$ 690,277
Assets held by trustee under bond indenture agreements	4,185,160	4,659,736
Donor-restricted assets		
Specific purposes	6,528,093	7,638,317
Permanent endowment	6,596,348	6,532,831
Beneficial interest in irrevocable trusts	3,294,812	3,594,455
Long-term investments	90,073,102	91,655,063
Total	$111,462,363	$114,770,679

The composition of investment return for the years ended September 30, 2011 and 2010, was as follows

	2011	2010
Interest and dividend income		
Other revenue	$ 147,668	$ 222,257
Nonoperating gains	1,581,190	1,357,969
Net realized gains on investments		
Unrestricted — nonoperating gains	1,059,003	981,872
Temporarily restricted (includes restricted investment income)	185,656	41,064
Change in net unrealized gains and losses on investments		
Unrestricted	(4,978,862)	5,785,758
Temporarily restricted	(725,979)	1,262,481
Change in fair value of irrevocable trusts	(299,643)	241,601
Total	$(3,030,967)	$9,893,002

6. PROPERTY, PLANT, AND EQUIPMENT

At September 30, 2011 and 2010, property, plant, and equipment consisted of the following

	2011	2010
Land and improvements	$ 18,289,575	$ 18,278,049
Buildings and improvements	196,780,555	190,894,965
Fixed equipment	27,887,760	27,757,673
Major movable equipment	131,728,206	122,128,232
Total property, plant, and equipment	374,686,096	359,058,919
Less accumulated depreciation	230,314,936	213,501,348
	144,371,160	145,557,571
Construction in progress	1,609,337	5,686,281
Property, plant, and equipment — net	$145,980,497	$151,243,852

7. OTHER NONCURRENT ASSETS

At September 30, 2011 and 2010, other noncurrent assets consisted of the following

	2011	2010
Investment in Northshore P E T Imaging, LLC	$ 202,100	$ 252,493
Notes receivable (interest rates from 6 0% to 10 75% with maturities through 2016)	636,150	784,839
Goodwill	1,225,050	1,692,825
Other	2,076,126	2,092,820
Total	$4,139,426	$4,822,977

8. LONG-TERM DEBT

At September 30, 2011 and 2010, long-term debt consisted of the following

	2011	2010
Massachusetts Health and Educational Facilities Authority (MHEFA or the "Authority") Revenue Bonds Northeast Hospital Issue, Series H, payable through 2036 (variable interest rate, 0 35% and 0 26% at September 30, 2011 and 2010, respectively, letter of credit through Bank of America expires in August 2013)	$ 23,000,000	$ 23,000,000
Northeast Hospital Issue, Series I (taxable), payable through 2036 (variable interest rate, 0 35% and 0 40% at September 30, 2011 and 2010, respectively, letter of credit through Bank of America expires in August 2013)	9,500,000	9,500,000
Northeast Hospital Issue, Series G, payable through 2034 (variable interest rate, 0 17% and 0 25% at September 30, 2011 and 2010, respectively, letter of credit through JPMorgan Chase expires in December 2015)	47,100,000	47,725,000
Beverly Hospital Issue, Series F, payable through 2020 (interest rates ranging from 4 95% to 5 70%)	16,300,000	17,800,000
Northeast Hospital Issue, Pool M, payable through 2029 (varying rates, 0 25% and 0 33% at September 30, 2011 and 2010, respectively, letter of credit through Bank of America expires May 2013)	10,517,496	10,838,574
Beverly Hospital Issue, Series D, payable through 2013 (interest rates ranging from 6 50% to 7 30%)	2,175,000	3,150,000
Northeast Hospital Issue, equipment acquisition loan, payable through 2013 (fixed interest rate of 3 95%)	2,512,586	4,576,160
Mortgage note payable through 2011 (interest rate of 6 00%)	386,997	431,490
Other	1,169	14,817
	111,493,248	117,036,041
Less current portion	9,160,250	8,792,769
Total	$ 102,332,998	$ 108,243,272

The Series H 2006 Bonds and the Series I 2006 Bonds were issued in the Variable Rate Demand Bond mode backed by a letter of credit from Bank of America which expires in 2013 The interest rate resets weekly

Series H and Series I bondholders have the option to put the bonds back to the Hospital Such bonds would be subject to remarketing efforts by the Hospital's remarketing agent To the extent that such remarketing efforts were unsuccessful, the nonmarketable bonds would be purchased from the proceeds of advances under the letter of credit Payments of the principal on the letter-of-credit advances would commence on the first calendar day of the month that commences more than six months after the borrowing Repayment of the full letter of credit would be required by the earlier of five years from the date of the advance under the letter of credit or that stated maturity date As a result, the Hospital has recorded $3,250,000 in current installments of long-term debt The Series H and Series I bonds have been presented in accordance with their scheduled maturities in the table of scheduled maturities of long-term debt

The Hospital entered into an agreement with the MHEFA to issue tax-exempt MHEFA variable rate revenue bonds, Northeast Hospital Corporation Issue, Series G (2004) (the "Series 2004 Bonds") in the aggregate amount of $55,000,000 due 2034 The Series 2004 Bonds were issued in the R-Float mode with rates reset weekly In June 2008, the Hospital entered into a remarketing agreement to refinance the Series 2004 Bonds The remarketing changed the mode of the bonds from an R-Float mode to a Variable Rate Demand Bond backed by a letter of credit which expires in 2015 The interest rate on the Series 2004 Bonds is set weekly Series 2004 bondholders have the option to put the bonds back to the Hospital Such bonds would be subject to remarketing efforts by the Hospital's remarketing agent To the extent that such remarketing efforts were unsuccessful, the nonmarketable bonds would be purchased from the proceeds of the letter of credit Payments of the principal on the letter-of-credit advances would commence on the first calendar day of the month that commences more than one year after the advance Repayment of the letter of credit would be required by the earlier of five years from the date of the advance under the letter of credit or that stated maturity date The Series 2004 bonds have been classified in accordance with the stated maturity in the accompanying consolidated balance sheets and in the table of scheduled maturities of long-term debt

The MHEFA bonds are collateralized by substantially all property, plant, and equipment of the Hospital and a lien on its gross receipts The debt agreements require the Hospital to escrow funds with a trustee for current installments and arbitrage rebate liabilities, if any Additionally, the debt agreements place limits on the incurrence of additional borrowings and require that the Hospital satisfy certain measures of financial performance and comply with certain other covenants

Effective October 1, 2010, MHEFA merged into the Massachusetts Development Finance Agency

In conjunction with the issuance of the Series H 2006 Bonds, Series I 2006 Bonds, and Series G 2004 Bonds, the Hospital entered into the following interest rate swap agreements to manage its interest rate risk on the variable rate debt

	Fixed Payment Rate	Variable Rate Received	Initial Notional Amount	Termination Date	Counterparty
Series H swap	3 799 %	67% LIBOR	$23,000,000	July 1, 2036	Bank of America
Series I (taxable) swap	5 624	100% LIBOR	7,000,000	July 1, 2037	Bank of America
Series G swap	3 373	67% LIBOR	37,000,000	July 1, 2034	Bank of America
Series G swap	3 030	67% LIBOR	5,000,000	July 1, 2014	Bank of America

The fair value of the Hospital's swaps at September 30, 2011 and 2010, were liabilities of $14,953,000 and $14,412,000, respectively, which are included in other noncurrent accrued liabilities in the consolidated balance sheets The change in net unrealized losses of $541,000 and $4,516,000 in 2011 and 2010, respectively, are recorded as nonoperating losses in the accompanying consolidated statements of operations Net cash payments under the swaps were $2,311,000 and $2,315,000 for the years ended September 30, 2011 and 2010, respectively, and are recorded as other revenue in the accompanying consolidated statements of operations

The mortgage notes payable are collateralized by buildings, equipment, and other assets with net book values totaling approximately $435,000 at September 30, 2011

The costs of issuance were approximately $597,000 for the Series H 2006 Bonds and Series I 2006 Bonds and $3,303,000 for the Series 2004 Bonds These costs included underwriters' discount, legal, consulting, and printing fees, bond insurance premium, swap insurance premium, and other associated issuance costs related to the bonds

Scheduled principal payments on long-term debt are as follows

Years Ending September 30	
2012	$ 5,910,250
2013	4,276,930
2014	2,835,617
2015	2,936,843
2016	3,114,650
Thereafter	92,418,958
Total	$111,493,248

Loan Covenants — Under the terms of a master indenture, the Hospital is required to meet certain covenant requirements In addition, the indenture provides for restrictions on, among other things, additional indebtedness and dispositions of property

Line of Credit —The Hospital has an agreement with a bank for a line of credit of $2,500,000 The line of credit carries a floating per annum rate equal to the prime rate less 1% and is due on demand There was no outstanding balance on the line of credit at September 30, 2011 or 2010

9. OPERATING LEASES AND OTHER COMMITMENTS

Operating Leases — The Hospital leases certain property and equipment under noncancelable operating leases with various terms through the year 2018 The Hospital's obligations under noncancelable operating leases at September 30, 2011 as follows

Years Ending September 30	
2012	$1,547,899
2013	1,118,416
2014	689,206
2015	513,141
2016	305,032
Thereafter	106,890
Total	$4,280,584

Rent expense was approximately $2,233,000 and $1,601,000 for 2011 and 2010, respectively

Other Commitments — At September 30, 2011, the Hospital has guaranteed the following debt

	Balance Outstanding
Northeast Senior Health (formerly Northeast Long-Term Care Corporation)	$ 6,090,000
Northeast Behavioral Health	5,264,000
Seacoast Nursing Home and Rehabilitation Center, Inc ("Seacoast")	6,056,000

Northeast Behavioral Health and Seacoast are affiliates of Northeast and their above outstanding balances represent balances as of June 30, 2011

10. BENEFIT PLANS

The Hospital has a noncontributory pension plan which covers substantially all of the Hospital's employees (the "Plan") The Plan, which may be terminated at any time by the Board, provides benefits to employees upon retirement

The benefits under the Plan are based on years of service and the participants' compensation levels The Hospital's policy is to fund the Plan in excess of the minimum required contribution in order to cover the present and future obligations of the Plan Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future

The Hospital also provides assistance with the cost of health insurance to eligible employees who retire with a hospital pension In 1991, this postretirement health plan was amended such that no new participants could enter the plan

The following table provides a reconciliation of benefit obligations, plan assets, and the funded status of the Hospital's benefit plans and the related amounts that are recognized in the accompanying consolidated balance sheets at September 30, 2011 and 2010 (in thousands of dollars)

	Pension Benefits		Postretirement Benefits	
	2011	2010	2011	2010
Change in benefit obligation				
Benefit obligation — October 1	$ 137,884	$ 122,802	$ 2,357	$ 2,444
Service cost	5,042	4,632	4	4
Interest cost	6,661	6,737	108	126
Actuarial loss (gain)	9,026	7,408	23	56
Benefits paid	(4,208)	(3,695)	(259)	(273)
Benefit obligation — September 30	$ 154,405	$ 137,884	$ 2,233	$ 2,357
Accumulated benefit obligation	$ 143,580	$ 125,132	$ -	$ -
Change in plan assets				
Fair value of plan assets — October 1	$ 94,160	$ 81,403	$ -	$ -
Actual return on plan assets	(2,925)	7,712		
Employer contributions	8,060	8,740	259	273
Benefits paid from plan assets	(4,208)	(3,695)	(259)	(273)
Fair value of plan assets — September 30	$ 95,087	$ 94,160	$ -	$ -
Funded status/accrued benefit liability	$ (59,318)	$ (43,724)	$ (2,233)	$ (2,357)

Unrestricted net assets at September 30, 2011 and 2010, include amounts not yet recognized in the consolidated statements of operations related to actuarial losses of $72,841,000 and $56,913,000, respectively, and prior-service costs of $315,000 and $375,000, respectively, for the Plan and losses of $1,215,000 and $1,293,000, respectively, and prior-service costs of $1,322,000 and $1,741,000, respectively, for the postretirement health plan Of these amounts, $3,918,000 is expected to be recognized in net periodic benefit costs in 2012

The components of net periodic benefit costs were as follows for the years ended September 30, 2011 and 2010 (in thousands of dollars)

	Pension Benefits		Postretirement Benefits	
	2011	2010	2011	2010
Service cost	$ 5,042	$ 4,632	$ 4	$ 4
Interest cost	6,661	6,737	107	126
Expected return on plan assets	(7,189)	(6,233)		
Amortization of prior service cost	(60)	(60)	(418)	(419)
Recognized actuarial loss	3,213	2,863	101	103
Net periodic benefit cost	$ 7,667	$ 7,939	$ (206)	$ (186)

At September 30, 2011 and 2010, the Hospital used the following assumptions in determining the preceding amounts

	2011	2010
Discount rate — benefit obligation	4 47 %	4 92 %
Discount rate — period benefit cost	4 92	5 60
Rate of compensation increase — benefit obligation	3 00	3 00
Rate of compensation increase — period benefit cost	3 00	3 75
Expected long-term rate of return on plan assets	7 50	7 50

With regard to postretirement health benefits, health care cost inflation trend rates were assumed to be 9% for 2011 and 2010 and thereafter Increasing the assumed health care cost trend rates by one percentage point in each year would increase the accumulated benefit obligation by approximately $17,000 and $15,000 as of September 30, 2011 and 2010, respectively, and the interest cost component of net periodic postretirement medical benefit cost by approximately $1,000 for 2011 and 2010

The Hospital's pension plan weighted-average asset allocations as of September 30, 2011 and 2010, by asset category, are as follows

	Plan Assets	
Asset Category	**2011**	**2010**
Equity securities	58 %	60 %
Debt securities	20	17
Alternative	18	19
Cash and short term	4	4
Total	100 %	100 %

Management of the pension plan assets is designed to maximize total return (income plus capital change) while preserving the capital values of the funds, protecting the funds from inflation, and providing liquidity as needed for plan benefits The objective is to provide a rate of return that meets inflation, plus 4 5% over a long-term time horizon The Hospital has established target asset allocation ranges of 45% to 65% equity investments, 12% to 18% debt investments, and 15% to 25% alternative investments

The Hospital expects to contribute $8,400,000 to the Plan and $258,000 to the postretirement health plan in fiscal year 2012

The following benefit payments, which reflect expected future service, as appropriate are expected to be paid

	Pension Benefits	Postretirement Medical
2012	$ 6,647,000	$ 258,000
2013	6,256,000	250,000
2014	6,846,000	238,000
2015	7,578,000	225,000
2016	8,174,000	212,000
2017–2021	51,298,000	861,000

11. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily Restricted Net Assets — Temporarily restricted net assets at September 30, 2011 and 2010 are available for the following purposes

	2011	2010
Accumulated gains on permanently restricted net assets available for appropriation	$5,584,587	$6,563,534
Capital improvements	419,393	300,119
Operations	376,767	625,681
For periods after September 30	147,346	148,983
Total	$6,528,093	$7,638,317

Permanently Restricted Net Assets — Permanently restricted net assets at September 30, 2011 and 2010, include $6,596,348 and $6,532,831, respectively, to be held in perpetuity, the income from which is expendable to support health care services The income is reported as nonoperating gains Also included in permanently restricted net assets at September 30, 2011, is $3,294,812 representing the Hospital's beneficial interest in irrevocable trusts administered by outside trustees

Endowment Funds — The Hospital's endowment consists of approximately 119 funds established for a variety of purposes As required by generally accepted accounting principles, 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 Hospital has interpreted Massachusetts law as requiring realized and unrealized gains of permanently restricted net assets to be retained in a temporarily restricted net asset classification until appropriated by the Board and expended Massachusetts law allows the Board to appropriate so much of the net appreciation of permanently restricted net assets as is prudent considering the Hospital'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 In 2011 and 2010, approximately $401,000 and $468,000, respectively, was appropriated

As a result of this interpretation, the Hospital 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 Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds duration and preservation of the fund, 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 Hospital, and the investment policies of the Hospital

Endowment Net Asset Composition and Changes in Endowment Net Assets — The Hospital currently has only donor-restricted endowment funds and does not have Board-designated endowment funds The following is a summary of the changes for the years ended September 30, 2011 and 2010

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — October 1, 2009	$5,767,799	$ 6,532,727	$12,300,526
Investment return — net appreciation	1,263,670	241,601	1,505,271
Appropriations of endowment assets for expenditure	(467,935)		(467,935)
Contributions		3,352,958	3,352,958
Endowment net assets — September 30, 2010	6,563,534	10,127,286	16,690,820
Investment return — net depreciation	(577,995)	(299,643)	(877,638)
Appropriations of endowment assets for expenditure	(400,952)		(400,952)
Contributions		63,517	63,517
Endowment net assets — September 30, 2011	$5,584,587	$ 9,891,160	$15,475,747

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 Hospital to retain as a fund of perpetual duration There were no such deficiencies at September 30, 2011 or 2010

Investment Return Objectives and Spending Policy — The Hospital has adopted investment and spending 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 Under this policy, the endowment assets are invested in a manner to generate returns at least equal to and preferably greater than the consumer price index plus 5% To satisfy its long-term rate-of-return objectives, the Hospital targets a diversified asset allocation that places a greater emphasis on equity-based investments within prudent risk constraints

12. FAIR VALUE OF MEASUREMENTS

Generally accepted accounting principles establishes a fair value hierarchy that distinguishes between investment 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 assumption about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy)

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

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

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

The following tables present information as of September 30, 2011 and 2010, about the Hospital's financial instruments that are measured at fair value on a recurring basis and its equity method alternative investments

	Fair Value Measurements Using			
2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments				
Cash investments	$ 4,307,242	$ -	$ -	$ 4,307,242
Debt securities				
Federal agency bonds		1,702,261		1,702,261
Corporate bonds		265,813		265,813
Mutual funds				
Fixed income	21,141,529			21,141,529
International equity	21,677,997			21,677,997
Domestic equity	10,962,068			10,962,068
Common collective trusts				
U S equity		14,475,705		14,475,705
Global equity		4,401,477		4,401,477
Diversified		8,432,367		8,432,367
Alternative investments			18,949,091	18,949,091
Beneficial interest in irrevocable trusts		3,294,812		3,294,812
Interest rate swaps		(14,953,000)		(14,953,000)
	58,088,836	17,619,435	18,949,091	94,657,362
Pension investments				
Cash investments	3,453,915			3,453,915
Mutual funds				
Fixed income	19,195,195			19,195,195
International equity	20,193,192			20,193,192
Domestic equity	8,892,227			8,892,227
Common collective trusts				
U S equity		15,073,824		15,073,824
Global equity		3,685,191		3,685,191
Diversified		6,938,596		6,938,596
Alternative investments			17,655,150	17,655,150
Total pension investments	51,734,529	25,697,611	17,655,150	95,087,290
Total	$ 109,823,365	$ 43,317,046	$ 36,604,241	$ 189,744,652

2010	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments				
Cash investments	$ 6,065,186	$ -	$ -	$ 6,065,186
Debt securities				
Federal agency bonds		26,521		26,521
Corporate bonds		248,151		248,151
Mutual funds				
Fixed income	19,551,953			19,551,953
International equity	25,068,636			25,068,636
Domestic equity	14,061,457			14,061,457
Common collective trusts				
U S equity		14,396,209		14,396,209
Global equity		2,561,413		2,561,413
Diversified		8,441,604		8,441,604
Alternative investments			18,903,093	18,903,093
Beneficial interest in irrevocable trusts		3,594,455		3,594,455
Interest rate swaps		(14,412,000)		(14,412,000)
	64,747,232	14,856,353	18,903,093	98,506,678
Pension investments				
Cash investments	3,933,499			3,933,499
Mutual funds				
Fixed income	16,414,540			16,414,540
International equity	23,334,278			23,334,278
Domestic equity	10,465,601			10,465,601
Common collective trusts				
U S equity		13,189,076		13,189,076
Global equity		2,268,755		2,268,755
Diversified		6,950,580		6,950,580
Alternative investments			17,603,652	17,603,652
Total pension investments	54,147,918	22,408,411	17,603,652	94,159,981
Total	$ 118,895,150	$ 37,264,764	$ 36,506,745	$ 192,666,659

The following table presents a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3)

	Pension Alternative Investments	Alternative Investments	Total
Balance — October 1, 2009	$16,598,782	$21,751,018	$38,349,800
Sales of investments		(4,000,000)	(4,000,000)
Change in the value of investments accounted for on the equity basis of accounting	1,004,870	1,152,075	2,156,945
Balance — September 30, 2010	17,603,652	18,903,093	36,506,745
Change in the value of investments accounted for on the equity basis of accounting	51,498	45,998	97,496
Balance — September 30, 2011	$17,655,150	$18,949,091	$36,604,241

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

Cash and Money Market Funds — The carrying value of cash investments and money market funds approximates fair value as maturities are less than three months and are based on quoted prices and actively traded

Debt Securities — 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 marketable 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 nonbinding 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 These Level 2 debt securities primarily include government bonds

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

Common Collective Trust Funds — The estimated fair values of common collective trust funds are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices The common collected trust funds 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 and are determined based upon information provided by the fund managers Such information is generally based on the NAV of the underlying investments which approximates fair value The Hospital's investments in common collective trusts may be redeemed at NAV on a daily basis with no redemption restrictions

Alternative Investments (Equity Method) — The estimated fair values of limited partnerships and limited liability corporations (alternative investments) accounted for using the equity method of accounting, for which no quoted market prices are readily available, are determined based upon information provided by the fund managers Such information is generally based on the NAV of the underlying investments which approximates fair value For such investments that have a redemption period of less than 90 days, the Hospital classifies all such investments as Level 2 For such investments that have a redemption period of 90 days or longer, the Hospital classifies all such investments as Level 3

Beneficial Interest in Perpetual Trusts — The fair values of beneficial interest in perpetual trusts are based on NAV of the trusts The Hospital classifies such investments as Level 2

Interest Rate Swaps — The Hospital uses inputs other than quoted prices that are observable to value the interest rate swaps The Hospital considers these inputs to be Level 2 inputs in the context of the fair value hierarchy These values represent the estimated amounts the Hospital would receive or pay to terminate the agreements, taking into consideration current interest rates and the current creditworthiness of the counterparty

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

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

Long-Term Debt — The estimated fair values of the Hospital's long-term debt is based on current traded values or a discounted cash flows analysis based on the Hospital's current incremental borrowing rates for similar types of borrowing arrangements The estimated fair values and carrying amounts for the Hospital's revenue bonds as of September 30, 2011 and 2010, are as follows

	2011	2010
Carrying amount	$ 108,592,496	$ 112,013,574
Estimated fair value	$ 108,602,283	$ 112,043,846

The estimated fair value of the Hospital's remaining long-term debt approximates the carrying values

Net Asset Value (NAV) Per Share — In accordance with ASU No 2009-12, NHC expanded its disclosures to include the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the NAV per share as of September 30, 2011 and 2010 There were no unfunded commitments as of September 30, 2011 and 2010 All of the investments below do not allow redemptions in the initial one-year holding period

The following table sets forth a summary of NHC's investments with a reported NAV at September 30, 2011 and 2010

Investment Fair Value *	Fair Value as of September 30 2011	2010	Redemption Frequency	Redemption Notice Period
Archipelago Holdings, Ltd (a)	$ 9,196,891	$ 9,274,823	Quarterly	45 days
Barlow Partners Offshore Limited (b)	5,132,105	5,171,928	Annually	60 days
Private Advisors Stable Value Fund, Ltd (c)	4,620,095	4,456,342	Annually	60 days
Total	$ 18,949,091	$ 18,903,093		

The following table sets forth A summary of NHC's pension plan investments with a reported NAV as of September 30, 2011 and 2010

Investment Fair Value *	Fair Value as of September 30 2011	2010	Redemption Frequency	Redemption Notice Period
Archipelago Holdings, Ltd (a)	$ 8,733,743	$ 8,807,751	Quarterly	45 days
Barlow Partners Offshore Limited (b)	3,941,457	4,038,086	Annually	60 days
Private Advisors Stable Value Fund, Ltd (c)	4,979,950	4,757,815	Annually	60 days
Total	$ 17,655,150	$ 17,603,652		

* The fair values of the investments have been estimated using the NAV of the investment

(a) The fund seeks long-term capital appreciation through investment in hedge funds offered by Wellington Capital Management

(b) The fund is a fund-of-funds focused on equity hedge funds It seeks to outperform the U S equity market over a two-year horizon, achieve a low standard deviation of monthly returns, and exhibit a low correlation to the equity and fixed income markets

(c) The fund is a low volatality multistrategy fund-of-funds which seeks consistently positive returns which are not dependent upon, or correlated to, equity or fixed income markets

13. PROFESSIONAL LIABILITY RESERVES AND OTHER CONTINGENCIES

Professional Liability Insurance — Effective June 30, 2004, Northeast is insured for professional and general liability through Northeast Massachusetts Indemnity Company, Ltd , which is a wholly owned captive insurance company incorporated and based in the Cayman Islands for the purpose of providing professional liability insurance Umbrella coverage aggregate has been purchased on a claims-made basis from other insurers for coverage above $2 5 million per claim or $8 million aggregate, with limits on such reinsurance Northeast intends to renew its coverage on a claims-made basis and has no reason to believe it may be prevented from renewing such coverage

The Hospital uses an outside actuarial consultant to determine its professional liability reserves Estimated professional liability costs consist of specific reserves calculated to cover the estimated liability resulting from medical or general liability incidents or potential claims which have been reported, as well as provision for claims incurred but not reported Estimated professional liabilities are based on claims reported, historical experience, and industry trends These liabilities include estimates of future trends in loss severity and frequency and other factors which could vary as the claims are ultimately settled Although it is not possible to measure the degree of variability inherent in such estimates, management believes the reserves for claims are adequate These estimates are periodically reviewed, and necessary adjustments are reflected in operations in the year the need for such adjustments become known Although there is at least a reasonable possibility that the recorded estimates will change by a material amount in the near term, management is unaware of any claims that would cause the final expense for medical malpractice risks to vary materially from the amounts provided

At September 30, 2011 and 2010, the amounts accrued for estimated professional liability claims incurred but not reported were approximately $1,619,000 and $1,864,000, respectively

Workers' Compensation — The Hospital provides workers' compensation coverage on a self-insured basis The Hospital uses an outside actuarial consultant in determining its estimated liability The estimated liability is included in accounts payable and accrued expenses in the accompanying consolidated balance sheets Collateral posted for workers' compensation claims in the amount of $1,900,000 is included in the current portion of assets whose use is limited or restricted in the consolidated balance sheets at September 30, 2011 and 2010

Employee Health Insurance — The Hospital provides its eligible employees with insurance for health and dental care through a self-insured program Stop-loss coverage of $250,000 per covered member per year is maintained The Hospital has provided estimates of its self-insured costs for claims incurred but not reported These estimates are based upon the Hospital's experience

Other Contingencies — The Hospital is a party in various legal proceedings and potential claims arising in the ordinary course of its business In addition, the health care industry, as a whole, is subject to numerous laws and regulations of federal, state, and local governments Compliance with these laws and regulations can be subject to future governmental review and interpretation as well as regulatory actions unknown or unasserted at this time Such compliance in the health care industry has recently come under increased governmental scrutiny which could result in the imposition of significant fines and penalties as well as significant repayments of previously billed and collected revenue from patient services Management does not believe that these contingencies will have a material adverse effect on the Hospital's consolidated financial statements

Health Care Reform — In 2010, the Patient Protection and Affordable Care Act (PPACA) was enacted into law PPACA is expected to result in sweeping changes across the health care industry, including how care is provided and paid for To fund the expansion of insurance coverage, the legislation contains measures designed to promote quality and cost efficiency in health care delivery and to generate budgetary savings in the Medicare and Medicaid programs The Hospital is unable to fully predict the affect of PPACA on its operations and financial results, however, management expects that future reimbursement for services from both public and private payers will be reduced and made conditional, in part, on various quality measures

14. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Hospital to concentrations of credit risk are patient and other receivables, amounts due from affiliates (see Note 3), investments (see Note 5), other noncurrent assets (see Note 7), and cash equivalents The Hospital invests available cash in a money market account of a local bank

The Hospital grants credit without collateral to its patients, many of whom are local residents and are insured under third-party payor agreements At September 30, 2011 and 2010, accounts receivable from patients and third-party payors, exclusive of estimated third-party settlements, are summarized as follows

	2011	2010
Medicare and Medicaid	37 %	41 %
Commercial insurance and HMOs	44	41
Patients	19	18
Total	100 %	100 %

A significant portion of the accounts receivable from commercial insurance companies and HMOs is derived from BlueCross BlueShield of Massachusetts and two other Massachusetts managed care companies Although management expects the amounts recorded as net accounts receivable on September 30, 2011, to be collectible, this concentration of credit risk is expected to continue in the near term

15. SUBSEQUENT EVENTS

The Hospital has evaluated subsequent events through January 23, 2012, which is the date the consolidated financial statements were issued

The Corporation has signed a Letter of Intent to affiliate with Lahey Clinic Foundation (the parent company of Lahey Clinic and Lahey Clinic Medical Center) through the formation of a new corporation that would serve as the parent company of the two organizations

* * * * * *

SUPPLEMENTAL INFORMATION

Deloitte

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Trustees of
Northeast Hospital Corporation
Beverly, Massachusetts

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental information for 2011 on pages 33 to 35 is presented for the purpose of additional analysis and is not a required part of the basic consolidated financial statements. This supplemental information is the responsibility of the management of Northeast Hospital Corporation. Such 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.

This report is intended solely for the information and use of the trustees and management of Northeast Hospital Corporation and the master trustee and is not intended to be, and should not be, used by anyone other than these specified parties.

Deloitte & Touche LLP

January 23, 2012

NORTHEAST HOSPITAL CORPORATION AND AFFILIATE

SUPPLEMENTAL CONSOLIDATING BALANCE SHEET INFORMATION
AS OF SEPTEMBER 30, 2011

ASSETS	Northeast Hospital Corporation	Northeast Medical Practice, Inc	Reclassifications and Eliminations	Combined
CURRENT ASSETS				
Cash and cash equivalents	$ 16,308,589	$ 13,395	$ -	$ 16,321,984
Patient receivables — net	30,899,488	964,557		31,864,045
Current portion of assets whose use is limited or restricted	784,848			784,848
Supplies — at cost	5,885,327	57,888		5,943,215
Estimated third-party settlements	3,575,000			3,575,000
Prepaid expenses and other current assets	5,545,326	1,003,971		6,549,297
Due from affiliates	4,610,670		(2,189,891)	2,420,779
Total current assets	67,609,248	2,039,811	(2,189,891)	67,459,168
ASSETS WHOSE USE IS LIMITED OR RESTRICTED				
Assets held by trustee under bond indenture agreements	4,185,160			4,185,160
Donor-restricted assets for specific purposes	6,528,093			6,528,093
Donor-restricted assets for permanent endowment	6,596,348			6,596,348
Beneficial interest in irrevocable trusts	3,294,812			3,294,812
Total assets whose use is limited or restricted	20,604,413	-	-	20,604,413
PROPERTY, PLANT, AND EQUIPMENT — Net	145,143,823	836,674		145,980,497
OTHER ASSETS				
Long-term investments	90,073,102			90,073,102
Unamortized financing costs	3,088,052			3,088,052
Due from affiliates	1,931,693		(1,127,076)	804,617
Other noncurrent assets	2,342,211	1,797,215		4,139,426
Total other assets	97,435,058	1,797,215	(1,127,076)	98,105,197
TOTAL	$330,792,542	$4,673,700	$(3,316,967)	$332,149,275

(Continued)

NORTHEAST HOSPITAL CORPORATION AND AFFILIATE

SUPPLEMENTAL CONSOLIDATING BALANCE SHEET INFORMATION
AS OF SEPTEMBER 30, 2011

LIABILITIES AND NET ASSETS	Northeast Hospital Corporation	Northeast Medical Practice, Inc	Reclassifications and Eliminations	Combined
CURRENT LIABILITIES				
Accounts payable and accrued expenses	$ 19,220,487	$1,081,848	$ -	$ 20,302,335
Accrued wages and vacation payable	10,547,957	699,470		11,247,427
Due to affiliates		2,282,856	(2,189,891)	92,965
Estimated third-party settlements	9,463,804			9,463,804
Current installments on long-term debt	9,160,250			9,160,250
Total current liabilities	48,392,498	4,064,174	(2,189,891)	50,266,781
OTHER LIABILITIES				
Accrued pension liability	58,840,426	477,377		59,317,803
Postretirement medical benefits	1,980,444			1,980,444
Professional liabilities reserves	1,619,000			1,619,000
Other noncurrent accrued liabilities	15,954,923	56,000		16,010,923
Due to affiliates		1,127,076	(1,127,076)	-
Total other liabilities	78,394,793	1,660,453	(1,127,076)	78,928,170
LONG-TERM DEBT — Net of current portion	102,332,998			102,332,998
Total liabilities	229,120,289	5,724,627	(3,316,967)	231,527,949
NET ASSETS				
Unrestricted	85,253,000	(1,050,927)		84,202,073
Temporarily restricted	6,528,093			6,528,093
Permanently restricted	9,891,160			9,891,160
Total net assets	101,672,253	(1,050,927)	-	100,621,326
TOTAL	$330,792,542	$4,673,700	$(3,316,967)	$332,149,275

(Concluded)

NORTHEAST HOSPITAL CORPORATION AND AFFILIATE

SUPPLEMENTAL CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Northeast Hospital Corporation	Northeast Medical Practice, Inc	Reclassifications and Eliminations	Combined
UNRESTRICTED REVENUE AND OTHER SUPPORT				
Net patient service revenue	$311,465,733	$13,303,768	$ -	$324,769,501
Other revenue	3,890,334	1,103,711	(861,558)	4,132,487
Net assets released from restrictions used for operations	931,394			931,394
Total unrestricted revenue and other support	316,287,461	14,407,479	(861,558)	329,833,382
EXPENSES				
Salaries and wages	136,902,389	4,564,623		141,467,012
Physician salaries and fees	18,743,489	6,620,504		25,363,993
Fringe benefits	32,307,912	1,811,047		34,118,959
Supplies and contracted services	91,742,301	4,563,918	(861,558)	95,444,661
Uncompensated care pool assessment	2,466,357			2,466,357
Provision for bad debts — net	9,283,019	227,116		9,510,135
Depreciation and amortization	17,098,418	280,274		17,378,692
Interest	2,359,497			2,359,497
Total expenses	310,903,382	18,067,482	(861,558)	328,109,306
INCOME (LOSS) FROM OPERATIONS	5,384,079	(3,660,003)		1,724,076
NONOPERATING GAINS — Net	1,741,418	99,335		1,840,753
EXCESS (DEFICIENCY) OF REVENUE AND GAINS OVER EXPENSES	7,125,497	(3,560,668)	-	3,564,829
OTHER CHANGES IN UNRESTRICTED NET ASSETS				
Net assets released from restriction used for purchase of property and equipment	565,646			565,646
Change in net unrealized gains and losses on investments	(4,978,862)			(4,978,862)
Transfer (to) from affiliates	(6,318,000)	6,318,000		-
Pension and other postretirement related adjustments	(16,327,805)			(16,327,805)
Total other changes in unrestricted net assets	(27,059,021)	6,318,000	-	(20,741,021)
(DECREASE) INCREASE IN UNRESTRICTED NET ASSETS	$(19,933,524)	$ 2,757,332	$ -	$(17,176,192)