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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
Rhode Island Hospital

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 593 Eddy Street

Room/suite

City or town, state or country, and ZIP + 4
Providence, RI 02903

D Employer identification number
05-0258954

E Telephone number
(401)444-4000

G Gross receipts $ 1,267,107,306

F Name and address of principal officer
Timothy J Babineau MD
593 Eddy Street
Providence, RI 02903

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 rhodeislandhospital org

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

L Year of formation 1863

M State of legal domicile RI

Part I Summary

1 Briefly describe the organization's mission or most significant activities
The mission of Rhode Island Hospital (RIH) is to be at the forefront of patient care by creating, applying and sharing the most advanced knowledge in health care

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**	23
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**	8,210
6	Total number of volunteers (estimate if necessary)	**6**	990
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	7,318,491
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	337,443

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	6,921,503	9,233,076
9	Program service revenue (Part VIII, line 2g)	979,830,857	1,029,306,980
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	22,312,627	14,793,122
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	33,572,256	26,332,667
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,042,637,243	1,079,665,845
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	354,194	217,124
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)	495,518,115	537,816,239
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	512,245,590	539,568,353
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,008,117,899	1,077,601,716
19	Revenue less expenses Subtract line 18 from line 12	34,519,344	2,064,129

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	1,267,363,292	1,237,237,170
21	Total liabilities (Part X, line 26)	577,242,770	556,839,476
22	Net assets or fund balances Subtract line 21 from line 20	690,120,522	680,397,694

Part II Signature Block

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

Sign Here

Signature of officer — 2012-08-15 Date

Mary A Wakefield CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
Firm's name ▶ KPMG LLP				Firm's EIN ▶
Firm's address ▶ 2 Financial Center 60 South St Boston, MA 02111				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

The mission of Rhode Island Hospital (RIH) is to be at the forefront of patient care by creating, applying and sharing the most advanced knowledge in health care

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 $ 800,691,333 including grants of $ 217,124) (Revenue $ 982,892,415)

Patient Care RIH, the principal teaching hospital of The Warren Alpert Medical School of Brown University, provides a comprehensive range of diagnostic and therapeutic health care services to inpatients and outpatients RIH has particular expertise in cardiology, hematology/oncology, neurosurgery and orthopedics, as well as pediatric care at RIH's pediatric division, Hasbro Children's Hospital (HCH), and emergency medicine, with RIH being the designated Level I Trauma Center for Rhode Island Licensed to operate 719 acute care beds, RIH is the largest of the state's general acute care teaching hospitals, employing 6,378 full-time equivalents and providing comprehensive health services to most of Rhode Island as well as southeastern Massachusetts (Continued on Schedule O)

4b (Code) (Expenses $ 92,169,225 including grants of $) (Revenue $ 13,131,074)

Medical Education RIH provides the setting for and substantially supports medical education in various clinical training and nursing programs The total cost of direct medical education provided by the Hospital exceeded the reimbursement received from third-party payors by $79 million in fiscal year 2011 (Continued on Schedule O)

4c (Code) (Expenses $ 57,096,354 including grants of $) (Revenue $ 46,771,259)

Research RIH conducts extensive medical research and is in the forefront of biomedical health care delivery research and among the leaders nationally in National Institutes of Health programs In addition, the Hospital sponsors many clinical trials, which provide valuable research information as well as cutting edge treatment for patients in the region Federal support accounts for approximately 75% of all externally funded research at the Hospital Researchers focus on clinical trials which investigate prevention and treatment of HIV/AIDS, obesity, cancer, diabetes, cardiac disease, neurological problems, orthopedic advancements, and mental health concerns RIH provided $10 3 million in support of research activities in fiscal year 2011 (Continued on Schedule O)

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 949,956,912

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		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	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	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	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**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		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**	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☑ **Yes** ☐ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	534		
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	8,210		
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		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		No
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		No
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		No
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	0			
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		No
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		No
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		No
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		No
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		No
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		No

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	23		
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		Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5			No
6	Does the organization have members or stockholders?	6		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		No
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 ▶

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 ▶

Mary A Wakefield
167 Point Street
Providence, RI 02903
(401) 444-7093

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)**								3,187,988	3,638,075	2,458,416

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 ▶ 528

			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
University Surgical Associates 72 Newman Avenue Rumford, RI 02916	Medical Services	7,009,346
University Medicine Foundation 17 Virginia Ave Providence, RI 02905	Medical Services	19,143,550
Univ Emergency Medicine Fnd 55 Claverick Street Providence, RI 02903	Medical Services	2,925,579
Neurology Foundation 1 Hoppin Street Providence, RI 02903	Medical Services	3,805,467
APG Security Services 95 Sockanosset Cross Road Cranston, RI 02920	Security Services	4,136,537
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 ▶ 78		

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a					
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations 1d	8,574,262				
	e Government grants (contributions) 1e	59,370				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	599,444				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f		9,233,076			
Program Service Revenue		Business Code				
	2a Temp Restricted (SPF's)	900099	8,860,922	8,860,922		
	b Rental	531120	3,007,007	3,007,007		
	c Patient Service Revenue	900099	959,021,541	959,021,541		
	d Laboratory	621500	5,259,325		5,259,325	
	e Direct Rev from Research	900099	53,158,185	53,158,185		
	f All other program service revenue					
	g **Total.** Add lines 2a–2f		1,029,306,980			
	3 Investment income (including dividends, interest and other similar amounts)		7,036,913			7,036,913
	4 Income from investment of tax-exempt bond proceeds		4,348			4,348
	5 Royalties		0			
		(i) Real / (ii) Personal				
	6a Gross Rents	3,492,984				
	b Less rental expenses	1,818,081				
	c Rental income or (loss)	1,674,903				
	d Net rental income or (loss)		1,674,903			1,674,903
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	193,375,241				
	b Less cost or other basis and sales expenses	185,623,380				
	c Gain or (loss)	7,751,861				
	d Net gain or (loss)		7,751,861			7,751,861
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b Less direct expenses b					
	c Net income or (loss) from fundraising events		0			
	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		0			
	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		0			
	Miscellaneous Revenue	Business Code				
	11a Linen Services	812300	1,997,584	1,651,758	345,826	
	b Indirect Rev from Grants	900099	12,127,240	12,127,240		
	c Cafeteria Revenue	722210	3,829,218			3,829,218
	d All other revenue		6,703,722	4,968,095	1,713,340	22,287
	e **Total.** Add lines 11a–11d		24,657,764			
	12 **Total revenue.** See Instructions		1,079,665,845	1,042,794,748	7,318,491	20,319,530

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	185,624	185,624		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	31,500	31,500		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,132,511	215,797	916,714	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	407,440,697	404,291,272	3,149,425	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	23,022,229	22,801,425	220,804	
9	Other employee benefits	76,067,262	75,444,572	622,690	
10	Payroll taxes	30,153,540	29,864,340	289,200	
a	Fees for services (non-employees) Management	0			
b	Legal	0			
c	Accounting	0			
d	Lobbying	9,179	9,179		
e	Professional fundraising services *See Part IV, line 17* . .	0			
f	Investment management fees	1,402,044		1,402,044	
g	Other	57,605,705	57,535,564	70,141	
12	Advertising and promotion	249,181	194,181	55,000	
13	Office expenses	162,313,138	162,925,152	-612,014	
14	Information technology	0			
15	Royalties . .	0			
16	Occupancy	17,040,663	15,080,017	1,960,646	
17	Travel	1,489,210	1,476,749	12,461	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	1,532,153	1,497,091	35,062	
20	Interest	14,192,878	5,302	14,187,576	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	32,623,650		32,623,650	
23	Insurance	10,032,566	10,032,566		
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	Unrelated Business Income Tax	126,481	126,481		
b	Purch Svs & Equip Cont	103,801,588	29,649,645	74,151,943	
c	Provision for bad debts	62,030,411	62,030,411		
d	License Fee	44,925,653	44,925,653		
e	All Other Expenses	30,193,853	31,634,391	-1,440,538	
f	All other expenses	0			
25	**Total functional expenses.** Add lines 1 through 24f	1,077,601,716	949,956,912	127,644,804	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		771,929	1	20,326,272
	2	Savings and temporary cash investments		44,957,996	2	145
	3	Pledges and grants receivable, net		3,133,457	3	4,598,112
	4	Accounts receivable, net		129,187,138	4	127,316,769
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	0
	7	Notes and loans receivable, net			7	0
	8	Inventories for sale or use		12,020,237	8	12,282,409
	9	Prepaid expenses and deferred charges		1,770,156	9	1,962,588
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 1,035,114,788			
	b	Less accumulated depreciation	10b 546,782,207	480,618,796	10c	488,332,581
	11	Investments—publicly traded securities		298,446,667	11	294,393,085
	12	Investments—other securities See Part IV, line 11		138,009,568	12	151,291,701
	13	Investments—program-related See Part IV, line 11			13	0
	14	Intangible assets			14	0
	15	Other assets See Part IV, line 11		158,447,348	15	136,733,508
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,267,363,292	16	1,237,237,170
Liabilities	17	Accounts payable and accrued expenses		67,895,216	17	64,386,872
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		270,579,058	20	262,912,704
	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			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		238,768,496	25	229,539,900
	26	**Total liabilities.** Add lines 17 through 25		577,242,770	26	556,839,476
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		401,448,900	27	390,119,508
	28	Temporarily restricted net assets		221,243,460	28	218,428,494
	29	Permanently restricted net assets		67,428,162	29	71,849,692
		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		690,120,522	33	680,397,694
	34	Total liabilities and net assets/fund balances		1,267,363,292	34	1,237,237,170

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	1,079,665,845
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,077,601,716
3	Revenue less expenses Subtract line 2 from line 1	3	2,064,129
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	690,120,522
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-11,786,957
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	680,397,694

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Rhode Island Hospital

Employer identification number
05-0258954

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: 10000105
Software Version: 2010v3.2
EIN: 05-0258954
Name: Rhode Island Hospital

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			
Timothy J Babineau MD President & CEO	23 00	X		X				0	876,509	144,417
Ronald A DeLellis MD Physician	40 00					X		400,299	0	37,619
Robert B Klein MD Physician	40 00					X		412,836	0	34,458
Phillip Kydd Trustee	1 00	X						0	0	0
Penelope H Dennehy MD Trustee	2 00	X						210,412	0	22,890
Murray B Resnick MD Physician	40 00					X		367,580	0	36,744
Michael L Hanna Treasurer	2 00	X		X				0	0	0
Michael J Perik Trustee	1 00	X						0	0	0
Mary Jo Kaplan Trustee	50	X						0	0	0
Mary A Wakefield CFO	16 00			X				0	726,687	103,289
Lawrence A Aubin Sr Chairman	10 00	X		X				0	0	0
Latha R Pisharodi MD Physician	40 00					X		401,506	0	39,376
Joseph J MarcAurele Trustee	4 00	X						0	0	0
Jonathan J Elion MD Trustee	2 00	X						0	0	0
John B Murphy MD SVP-Medical Affairs & CMO	40 00				X			393,730	0	63,828
Jeffrey G Brier Trustee	50	X						0	0	0
Jane Williams RN PhD Secretary	5 00	X		X				0	0	0
James A Procaccianti Trustee	4 00	X						0	0	0
George A Vecchione President & CEO	0 00						X	0	1,481,978	1,797,607
Garth Cosgrove MD Physician	40 00					X		671,120	0	25,106
Frederick J Macri Executive VP	40 00			X				0	552,901	86,780
Fred J Schiffman MD Trustee	2 00	X						0	0	0
Emanuel Barrows Trustee	1 00	X						0	0	0
Ellen A Collis Trustee	2 50	X						0	0	0
Edward D Feldstein Trustee	1 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			
Edmund C Bennett Vice Chairman	3 00	X		X				0	0	0
Dayle H Joseph MSEdD Trustee	4 00	X						0	0	0
David A Marcoux MD Trustee	2 50	X						0	0	0
Brian J Zink MD Trustee	3 00	X						0	0	0
Brian Goldner Trustee	2 00	X						0	0	0
Bertram M Lederer Trustee	2 00	X						0	0	0
Barbara Riley RN Chief Nursing Officer	40 00				X			330,505	0	66,302
Alan H Litwin Trustee	5 00	X						0	0	0

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
Rhode Island Hospital	05-0258954

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)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		9,179
j	Total lines 1c through 1i			9,179
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		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
Part II-B, Line 1i	Part II-B, Line 1i - Other Activities Description	Rhode Island Hospital pays membership fees to the Hospital Association of Rhode Island, the National Association of Children's Hospitals, and the Trauma Center Association of America A portion of the membership dues paid to these organizations is allocated to their lobbying efforts

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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
Rhode Island Hospital

Employer identification number
05-0258954

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance	475,612,207	402,076,328	417,775,875		
b	Contributions	72,081,127	106,066,104	62,712,592		
c	Investment earnings or losses	11,034,904	42,054,008	-5,317,535		
d	Grants or scholarships					
e	Other expenditures for facilities and programs	79,888,527	74,584,234	73,094,604		
f	Administrative expenses					
g	End of year balance	478,839,711	475,612,206	402,076,328		

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

- a Board designated or quasi-endowment ▶ 49 520 %
- b Permanent endowment ▶ 7 920 %
- c Term endowment ▶ 42 560 %

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		20,130,363		20,130,363
b Buildings		651,577,620	300,639,414	350,938,206
c Leasehold improvements				
d Equipment		335,586,700	246,142,793	89,443,907
e Other		27,820,105		27,820,105
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				488,332,581

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)* ▶	151,291,701	

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
(1) Other Receivables	15,579,624
(2) Other Non-Current Assets	4,864,745
(3) Interest in Net Assets of RIH Foundation	51,843,521
(4) Intercompany Receivables	1,323,442
(5) Deferred Financing Costs	6,363,181
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	136,733,508

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Third-party payor settlements	42,668,795
Post-retirement benefit liability	23,320,800
Other Liabilities	35,797,981
Health Care Benefit Self-insurance	3,128,624
Accrued Pension Liability	124,623,700
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	229,539,900

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

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Part XI, Line 8	Part XI, Line 8 Other Changes in Net Assets or Fund Balances	Increase in Net Assets of RIHF $1086424 Change in funded status of pension and other postretirement $ -10236844 Transfer to Hospital Properties, Inc $ -393362
Part V, Line 4	Part V, Line 4 Intended uses of the endowment fund	Rhode Island Hospital's (RIH's) endowment funds were established for a variety of purposes, including both donor-restricted endowment funds and funds designated by RIH to function as endowments RIH's largest endowments support patient care, particularly cardiology, hematology/oncology, and neurology, as well as pediatric care at RIH's pediatric division, Hasbro Children's Hospital (HCH), research, and charity care Significant term endowment funds held by RIH are used for the purposes of (1) pediatric orthopedic research, (2) the care and treatment of crippled children, (3) neurosurgery equipment, (4) pediatric and adult oncology, and (5) HCH's Palliative Care and Pain Program and other pediatric needs

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Rhode Island Hospital

Employer identification number
05-0258954

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

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

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

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

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
Sub-Saharan Africa	0	0	Program Services	Research	21,701
East Asia & the Pacific	0	0	Program Services	Research	182,322
3a Sub-total					204,023
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)					204,023

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

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

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

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

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

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

Part IV Foreign Forms

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

Additional Data

Software ID: 10000105
Software Version: 2010v3.2
EIN: 05-0258954
Name: Rhode Island Hospital

Part V **Supplemental Information**

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

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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
Rhode Island Hospital

Employer identification number
05-0258954

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			60,291,982	15,960,107	44,331,875	4 110 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			174,060,258	179,936,434	-5,876,176	
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			234,352,240	195,896,541	38,455,699	4 110 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			350,869	54,069	296,800	0 030 %
f Health professions education (from Worksheet 5)			92,169,225	13,131,074	79,038,151	7 330 %
g Subsidized health services (from Worksheet 6)			26,091,550	18,134,742	7,956,808	0 740 %
h Research (from Worksheet 7)			57,096,354	46,771,259	10,325,095	0 960 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			438,173		438,173	0 040 %
j **Total** Other Benefits			176,146,171	78,091,144	98,055,027	9 100 %
k **Total.** Add lines 7d and 7j			410,498,411	273,987,685	136,510,726	13 210 %

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

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

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense (at cost)	2	17,529,794		
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	8,698,287		
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	170,875,355
6	Enter Medicare allowable costs of care relating to payments on line 5	6	162,677,977
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	8,197,378
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	Orthopedic MRI of RI LLC	Imaging Services	33 333 %		13 333 %
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
0	Rhode Island Hospital 593 Eddy Street Providence, RI 02903	X	X	X	X		X	X		

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? **21**

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

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
	Part VI - Affilated Health Care System Roles and Promotion	Lifespan's mission is to improve the health status of the people it serves in RI and in southern New England through the provision of customer friendly, geographically accessible, high value services in the environment of an integrated academic health system Lifespan affiliates provide comprehensive inpatient and outpatient medical, surgical and psychiatric services for adults and children Lifespan and its affiliates employ more than 12,400 people The Lifespan system has over 2,200 physicians on the medical staffs of its affiliated hospitals, operates 1,155 licensed beds in four hospital complexes, and in 2011 generated approximately $1 7 billion in total operating revenue By each of these measures, Lifespan is RI's largest health system, serving a population of over 1 5 million Three of its hospital members, Rhode Island Hospital (RIH), The Miriam Hospital (TMH) and Bradley Hospital (EPBH), are teaching affiliates of The Warren Alpert Medical School of Brown University with 79 percent of the residents and fellows in this program based at RIH, TMH and EPBH Lifespan is a RI nonprofit corporation that is community-based and community-governed As a nonprofit organization, Lifespan is run by a voluntary Board of Directors who are community representatives Lifespan and all of its nonprofit hospital affiliates have received written notification from the Internal Revenue Service that they have been recognized as being organized and operated as entities described in Internal Revenue Code (IRC) Section 501(c)(3) and are generally exempt from income taxes under IRC Section 501(a) As of September 30, 2011, Lifespan Corporation employed approximately 700 full-time and part-time personnel, most of whom are located at Lifespan's headquarters in Providence, RI Lifespan Corporation provides support services to its affiliates, such as information services, telecommunications, risk management, legal, communications and public affairs, fundraising, payor contracting, facility development, strategic planning, internal audit/compliance, human resources, finance and investment management, for which each affiliate is charged a fee equivalent to the costs incurred by Lifespan in providing these services Corporate Authority and RoleLifespan Corporation has no members and is governed by its Board of Directors The Board has responsibility for planning, directing and establishing policies intended to assure the development and delivery of quality health services, professional education and biomedical research on an integrated, cost-effective basis The Board's powers include the power to set accounting policies for its affiliates, develop, negotiate and approve all managed care agreements, develop affiliations with other institutions for educational and research purposes, and approve human resource plans, executive compensation and benefits for system affiliates The bylaws of RIH confer certain reserved powers on Lifespan to provide it with the means of effective oversight, coordination and support of the system Powers reserved to Lifespan as sole member include to elect and remove trustees, to approve the election of and to remove certain officers, to approve the amendment of the Articles of Incorporation and Bylaws and other Charter documents, to approve strategic plans, to approve investment policies and any capital or operating budgets or material non-budgeted expenditures, and to authorize incurrence or guaranty of material indebtedness For a complete listing of affiliated members of Lifespan's integrated healthcare delivery system please refer to Schedule R

Identifier	ReturnReference	Explanation
	Part VI - Explanation Of How Organization Furthers Its Exempt Purpose	Rhode Island Hospital is governed by a Board of Trustees, which is composed of 20 voting members who are elected by Lifespan Corporation as sole member of the Hospital and five who serve ex officio The ex officio members of the Board with a vote are the President and Chief Executive Officer of the Hospital along with the Chair of Rhode Island Hospital Foundation and the Chair of The Miriam Hospital Foundation The Chairman and the President and CEO of Lifespan Corporation are ex officio members of the Board without a vote Elected Board members serve one-year terms The Hospital's Board prescribes the duties and powers of committees appointed by the Chair and appoints members of the Medical Staff The physicians on the Hospital's medical staff are both hospital-based and community-based

Identifier	ReturnReference	Explanation
	Part VI - Community Building Activities	The Hospital substantially subsidizes various health services including the following programs adult psychiatry, diabetes, dental, adolescent, and Alzheimer's, as well as the Center for Special Children, early intervention, occupational health, and certain other specialty services The Hospital also provides numerous other services to the community for which charges are not generated These services include certain emergency services, community health screenings for cardiac health, prostate cancer and other diseases, smoking cessation, immunization, and nutrition programs, diabetes education, community health training programs, patient advocacy, foreign language translation, physician referral services, and charitable contributions

Identifier	ReturnReference	Explanation
	Part VI - Community Information	Rhode Island Hospital, located in Providence, Rhode Island, is a 719-bed nonprofit general acute care teaching hospital with university affiliation providing a comprehensive range of diagnostic and therapeutic services (excluding obstetrics) for the acute care of patients principally from RI and southeastern Massachusetts As a complement to its role in service and education, the Hospital actively supports research The Hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and participates as a provider primarily in Medicare, Blue Cross and Medicaid programs The Hospital is also a member of Voluntary Hospitals of America, Inc (VHA) In 1969, the Hospital and certain other Rhode Island hospitals entered into an affiliation agreement to participate jointly in various clinical training programs and research activities with The Warren Alpert Medical School of Brown University (Brown) In 2010, Brown named the Hospital its Principal Teaching Hospital The goals of the partnership are to facilitate the expansion of joint educational and research programs in order to compete both clinically and academically The Hospital currently sponsors 46 graduate medical education programs accredited by or under the auspices of the Accreditation Council for Graduate Medical Education (ACGME), while also sponsoring another 26 hospital-approved residency and fellowship programs With respect to nursing education, the Hospital has developed formal and informal educational affiliations with a number of accredited New England colleges and universities The Hospital does not receive any compensation from the various schools for providing a clinical setting for the student nurse training The Hospital conducts extensive medical research and is in the forefront of biomedical health care delivery research and is among the leaders nationally in National Institutes of Health programs

Identifier	ReturnReference	Explanation
	Part VI - Patient Education of Eligibility for Assistance	Rhode Island Hospital has multilingual signage in the Hospital's main lobby and waiting areas which provides information on financial aid contacts The Registration Department meets with patients at the outset of care to discuss eligibility for assistance The Registration staff provides interested patients with a "Welcome" booklet which includes information on patient rights and responsibilities The signage and booklets contain a telephone number which connects patients with Registration staff who can answer any additional questions that may arise after the patient has left the Hospital Assistance eligibility is also summarized on the Hospital's website

Identifier	ReturnReference	Explanation
	Part VI - Needs Assessment	Lifespan's Office of Strategic Planning and Analysis performs population-based studies for the Hospital regarding the need for inpatient medical and surgical services for both adults and children and a wide range of outpatient services including primary care office visits, specialty care, emergency services, imaging, ambulatory surgery, and specific high technology services such as radiation therapy and bone marrow transplantation A population-based study examines the growth and changes in the population, the resources in the community, and the changing prevalence of diseases Added to this population-based approach, Lifespan Strategic Planning also examines experience with wait times, the level of staffing, and the changing standards of care All of this information is used to assess the demand for additional services to provide access to high quality care In addition to population approaches to assessing and estimating need, all specialties and services monitor demand at the service specific level by considering changing patterns of care and methods of treatment for the specific medical problem, wait times for visits/queues, and community resources The service leadership then goes through a review process to add staff, expanded hours, and/or new sub-components to round out core services on an as-needed basis At times, expansion requires more space, equipment, and staff, but often accommodation of community demand is achieved through expanded hours Facilities are added as needed to accommodate these expansions, but most often minor renovations of existing locations with better, more modern layouts and equipment allow for greater patient access The RI State Certificate of Need program requires a focused study of need for all projects over $5 25 million, which is an important part of the program development process across Lifespan Based on a broad understanding of community health needs, the Hospital provides a wide range of services to both its primary and secondary areas Lifespan and its hospital affiliates monitor health trends in Rhode Island in an effort to identify areas of unmet demands regarding clinical services For example, over the past decade, the Hospital added a new state-of-the-art emergency department and opened the 110-room Bridge Building expansion, with three new floors dedicated to the care of cardiac, medical and surgical patients The Hospital's pediatric division, Hasbro Children's Hospital, is the state's only facility dedicated to pediatric care The Hospital has continued its pioneering work on treatments for inoperable tumors as well as radiofrequency ablation

Identifier	ReturnReference	Explanation
Number of Hospital Facility - 0	Part V, Line 19d - Other Billing Determination of Individuals Without Insurance	Uninsured patients receive an automatic 50% Community Benefit discount on Hospital charges

Identifier	ReturnReference	Explanation
Number of Hospital Facilty - 0	Part V, Line 16e - Other Collection Actions by Facility or Third Party Engaged	The Hospital engages third-parties to perform certain collection actions on its behalf A pre-collect company is used for all self-pay accounts Additionally, a collection agency is used if there is no payment activity on such accounts after 120 days The collection process is explained in further detail in the response to Question 15e above

Identifier	ReturnReference	Explanation
Number of Hospital Facilty - 0	Part V, Line 15e - Other Collection Actions Against a Patient	Once an account balance or a portion thereof is classified as self-pay, it is placed with the Hospital's pre-collect company The account remains with them until balance is paid in full, a monthly payment plan is in place, or insurance information is provided for billing After 120 days, if there is no payment activity, the account qualifies for bad debt and the pre-collect company returns the account to Patient Financial Services, which in turn forwards to a collection agency The collection agency sends 3 to 5 notices to the patient requesting payment If there are no responses after the notices are sent, collection calls are made If there is no response after 120 days, the account is reviewed for legal action in the appropriate court If there are no assets to pursue, the collection agency deems the account uncollectible and then returns it to Patient Financial Services for writeoff Note In accordance with Center for Medicare and Medcaid Services mandates, Medicare patient accounts are held 130 days from last payment, after which if no activity, the account is then referred to collection

Identifier	ReturnReference	Explanation
Number of Hospital Facilty - 0	Part V, Line 13g - Other Means Hospital Facility Publicized the Policy	An abbreviated version of the Hospital's financial assistance policy is posted in various admitting and outpatient areas of the Hospital Additionally, registration personnel refer uninsured and/or low income patients to Patient Financial Counselors to discuss the policy and/or answer any questions they might have

Identifier	ReturnReference	Explanation
	Part III, Line 9b - Provisions On Collection Practices For Qualified Patients	The Hospital uses an outside pre-collection agency for all self-pay receivables, with the exception of self-pay after Medicare which is handled by the Hospital's Patient Financial Services Department The pre-collection agency attempts to collect the debt for 120 days During this time, 3 letters are sent to the patient's address of record and for balances in excess of $50 attempts are made to reach the patient by telephone If the agency makes contact with the patient and the patient expresses an inability to pay, payment plans and/or Community Free Service are offered (Please refer to the Charity Care Eligibility Criteria and Additional Information sections for further detail on those processes) If the pre-collection agency is unsuccessful in contacting the patient or no response is received within 120 days, the account is forwarded to a collection agency The collection agency also sends statements and attempts to reach the patient via telephone Again, if the agency makes contact with the patient and the patient expresses an inability to pay, payment plans and/or Community Free Service are offered If no response is received, the claim is referred to small claims court and the patient is summoned to appear If the patient does not appear, the Hospital will receive a judgment in its favor If the Hospital learns that the claim has a related settlement, i e , an automobile accident, the Hospital can put a lien on such settlement Alternatively, if the collection agency deems the account uncollectible, it will be written off

Identifier	ReturnReference	Explanation
	Part III, Line 8 - Explanation Of Shortfall As Community Benefit	The source of the Medicare allowable costs reported on Part III, Section B, Line 6 is the Medicare cost report, Form 2552-96

Identifier	ReturnReference	Explanation
	Part III, Line 4 - Bad Debt Expense	The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements Additions to the allowance for doubtful accounts are made by means of the provision for bad debts Accounts deemed uncollectible are deducted from the allowance and subsequent recoveries are added The amount of the provision for bad debts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental health care coverage, and other collection indicators The Hospital provided $62,030,411 for uncollectible patient accounts during the year ended September 30, 2011 The associated cost reported on Line 2 of Part III was determined by applying an operating cost to charge ratio exclusive of community benefit costs and charges to the provision amount per the Hospital's audited financial statements

Identifier	ReturnReference	Explanation
	Part I, Line 3c - Charity Care Eligibility Criteria (FPG Is Not Used)	Rhode Island Hospital (the Hospital) uses a dual system for determining financial aid eligibility federal poverty guidelines and an asset test The financial screening process at the Hospital is intended to define probable eligibility for public assistance (Medicaid or Community Free Service ("CFS")) for those patients who do not have the means to pay for hospital services rendered, as follows 1 Upon patient indication of an inability to pay required monies, the patient is offered the financial screening option to determine eligibility for public assistance (Medicaid, CFS)2 The application for CFS is completed and includes information relative to income, expense, and other available resources and requires proof of such information which may include - most recently filed income tax return- most recently received payroll check stub- copy of rent receipts for the last six months- copy of utility bills for the last month4 If the patient's financial situation falls within the guidelines for eligibility for Medicaid or CFS, the appropriate application process is completed (Assistance to complete such applications is available from the Patient Financial Advocates (PFA) Office at the Hospital)5 Uninsured patients receive an automatic 50% deduction at the Hospital 6 Eligibility for CFS above the 50% discount is provided for those applicants whose family gross income is at or below twice the Federal Poverty Guidelines, with a sliding scale for individuals up to four times the poverty level in effect at the time of application Full charity care applicants with assets worth more than $8,855 for an individual (or $13,281 for a family) may not qualify for care without charge, but may qualify for discounted care Partial charity care applicants are subject to the same asset test and may not qualify for the highest discount on care, but may be eligible for a lesser discount 7 For patients who qualify for less than 100% of the financial assistance program, a payment schedule is determined and agreed upon (discussed further below) Payment arrangements are established prior to service for non-urgent care 8 In either case, the final results of the financial screening are recorded in the comments section of the Hospital's billing system Requests for Payment Arrangements Patient Financial Advocates (PFA) will qualify patients that are receiving non-urgent, medically indicated procedures prior to services The PFA will request 75% to 100% of estimated charges (net of the automatic 50% discount) if the balance is under $5,000 and 50% to 100% of estimated charges (net of the automatic 50% discount) if the estimated bill exceeds $5,000 For elective or non-urgent cases, the policy will require financial clearance prior to services or an exception from the Medical Director based on the clinical circumstances if the patient cannot meet the above payment agreement Patients who do not qualify for the total or partial CFS, but who have difficulty in paying their bills after services are rendered, may request enrollment in a payment plan Eligibility for the payment plan includes the following guidelines 1 Immediate payment in full will result in financial hardship to the patient or the patient's family 2 Deposit of one-half of the estimated total bill is requested prior to admission 3 The minimum monthly payment of $50 00 4 The maximum length of the payment plan is twenty-four months The Customer Service staff will set up the payment plan using the above guidelines as well as complete the necessary information on the "Payment Agreement" form and mail to patient for signature Account documentation will be done online The pre-collect agency will be sent a copy of the payment agreement and all forms will be scanned into the PFS Optical Imaging System

Additional Data

Software ID: 10000105
Software Version: 2010v3.2
EIN: 05-0258954
Name: Rhode Island Hospital

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

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size, measured by total revenue per facility, from largest to smallest) How many non-hospital facilities did the organization operate during the tax year? **21** Name and address	Type of Facility (Describe)
Ophthalmology Clinic 1 Hoppin Street Suite 200 Providence, RI 02903	General and Specialty Ophthalmic Examinations, Testing and Procedures
Rhode Island Hospital Child Research Center 1 Hoppin Street Providence, RI 02903	Outpatient Psychiatric Services
Pediatric and Adult Medicine 900 Warren Avenue 2nd Floor East Providence, RI 02914	Pediatric and Adult Medicine
Orthopedic MRI of Rhode Island LLC 100 Butler Drive Providence, RI 02906	Medical Imaging Services
Southern New England Rehabilitation Ptr 200 High Service Avenue North Providence, RI 02904	Rehabilitation Services
RIH Lab at the Office of Louis J Moran MD 1035 Post Road Warwick, RI 02886	Outpatient Phlebotomy
RIH Pediatric and Adolescent Health Care Center 1 Hoppin Street Suite 3055 Providence, RI 02903	Outpatient Adolescent Services
RI Hospital Molecular Laboratory 167 Point Street Coro East 3rd Floo Providence, RI 02903	Molecular Diagnostic Testing
Hallett Center for Diabetes and Endocrinology 900 Warren Avenue 3rd Floor East Providence, RI 02914	Multidisciplinary Care Treating Diabetes and Other Endocrine Disorders
Rhode Island Hospital Surgery Center at Wayland Square 17 Seekonk Street Providence, RI 02906	Outpatient Surgery
MRICT of Providence LLC 695 Eddy Street Providence, RI 02903	Diagnostic Imaging Facility
General Internal Medicine Research Group 111 Plain Street Providence, RI 02903	Research Studies
Radiosurgery Center of RI LLC 593 Eddy Street Providence, RI 02903	Radiosurgery Services
RIH Outpatient Psychiatry 235 Plain Street Providence, RI 02905	Outpatient Psychiatric Services
Audiology and Speech Pathology Department 115 Georgia Avenue Providence, RI 02905	Speech Language Pathology and Audiology Services
RIH Lab at the Office of Hugo Yamada MD 6 Blackstone Valley Place Lincoln, RI 02865	Outpatient Phlebotomy
RI Hospital Hasbro Childrens Outpatient Rehab Services 765 Allens Avenue Providence, RI 02903	Physical and Occupational Therapy
RIH Sleep Disorders Center 70 Catamore Boulevard East Providence, RI 02914	Outpatient Professional & Technical Evaluation of Sleep Disorders
RI Hospital Outpatient Rehabilitation Services 1 Hoppin Street Coro West 1 Providence, RI 02903	Physical Therapy and Occupational Therapy
RIH Pediatric Heart Center 1 Hoppin Street Suite 304 Providence, RI 02903	Outpatient Pediatric Cardiology Services
Dialysis Center of Rhode Island Hospital 22 Baker Street Providence, RI 02905	Hemodialysis, Home Hemodialysis Training and Home Hemodialysis

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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
Rhode Island Hospital

Employer identification number
05-0258954

Part I General Information on Grants and Assistance

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

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

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

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) UNAPRIH Education Trust Fund375 Branch Avenue Providence,RI 02904	41-2139381		150,000	0			Employee Education Support
(2) Brown University164 Angell Street Providence,RI 02912	05-0258809		5,200	0			General Support

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

3 Enter total number of other organizations . . . ▶ 0

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) Educational Assistance	9	31,500			

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
Grantmaker's Description of How Grants are Used		Rhode Island Hospital is committed to community programs and provides support to various charitable organizations in Rhode Island and southeastern Massachusetts Donations are made to organizations recognized by the IRS as being described in IRC Section 501(c)(3) All contributions are approved by management and are made to organizations whose missions and goals align with those of the Hospital Individual scholarships are awarded annually to applicants by a joint decision making body comprised of both IBT (International Brotherhood of Teamsters) and RIH representatives Payments are made directly to qualified educational institutions on behalf of scholarship recipients

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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
Rhode Island Hospital

Employer identification number
05-0258954

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Timothy J Babineau MD	(i) (ii)	670,588	172,500	33,421	123,367	21,050	1,020,926	
(2) Ronald A DeLellis MD	(i) (ii)	388,968		11,331	19,160	18,459	437,918	
(3) Robert B Klein MD	(i) (ii)	401,025		11,811	19,160	15,298	447,294	
(4) Penelope H Dennehy MD	(i) (ii)	207,645		2,767	14,465	8,425	233,302	
(5) Murray B Resnick MD	(i) (ii)	351,886	12,500	3,194	19,160	17,584	404,324	
(6) Mary A Wakefield	(i) (ii)	495,892	132,000	98,795	88,238	15,051	829,976	66,367
(7) Latha R Pisharodi MD	(i) (ii)	390,451	9,000	2,055	19,160	20,216	440,882	
(8) John B Murphy MD	(i) (ii)	305,756	68,218	19,756	45,032	18,796	457,558	
(9) George A Vecchione	(i) (ii)	918,261	378,060	185,657	1,776,800	20,807	3,279,585	
(10) Garth Cosgrove MD	(i) (ii)	659,568		11,552	11,177	13,929	696,226	
(11) Frederick J Macri	(i) (ii)	371,807	101,000	80,094	69,859	16,921	639,681	53,639
(12) Barbara Riley RN	(i) (ii)	225,907	59,000	45,598	46,434	19,868	396,807	20,185
(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
Sch J, Part I, Line 7	Part I, Line 7 Non-Fixed payments not listed above	The Lifespan Annual Incentive Compensation Plan provides a financial award opportunity for designated members of management, based on quantified objectives that are approved in advance by the Compensation Committee of the Lifespan Corporation Board of Directors A specified level of financial performance must be met before any award is earned The objectives vary from year to year and generally include various aspects of financial measures in addition to non-financial performance measures For certain participants in the Annual Incentive Compensation Plan, the award opportunity is divided into two pools The first pool represents 80% of any earned incentive award, based on the achievement of the team performance objectives The remaining 20% pool is distributed on an individual basis to participants at the discretion of the CEO, in each case subject to approval by the Compensation Committee of the Lifespan Corporation Board of Directors
Sch J, Part I, Line 1a	Part I, Line 1a Relevant information in regards to selections on 1a	Tax Indemnification and Gross-up Payments The Lifespan Executive Long Term Disability program provides financial protection to designated Lifespan executives in the event that they become disabled Premiums are paid to the insurance carrier by the insureds on an after tax basis to allow for income replacement at a reasonable cost The income associated with the premiums is grossed-up to cover the total cost of the benefit as provided in the Lifespan Executive Benefit Plan and is included in Medicare wages, more specifically on Schedule J, Part II, Column B (iii) Housing Allowances or Residences for Personal Use A temporary housing allowance may be provided on a case-by-case basis as part of the recruitment of key executives The allowance is documented in the individual employment contract or employment offer In calendar year 2010 Lifespan provided this benefit to one new executive and the taxable amounts paid for the temporary housing resulting from relocation are included in Medicare wages, more specifically on Schedule J, Part II, column B (iii) Social Club Dues The job responsibilities of certain executives include development of relationships with business leaders and donors Those relationships are facilitated by the ability to meet in private sessions during which focused business discussions take place The Hope and University Clubs, which require individual memberships, are places in Providence where businessmen and women, civic, community and social leaders can gather in a business-like atmosphere The cost of membership is considered by Lifespan to be reasonable and necessary and thus a qualified business expense not taxable to the employee IRS regulations regarding documentation requirements are followed for any payments made for meetings held at the respective club, including the business purpose and nature of the business benefit derived, the nature of the business discussion or activity, and the identity and business relationship of attendees

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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
Rhode Island Hospital

Employer identification number
05-0258954

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	Rhode Island Health and Education Building Corporation	52-1300173	762243K36	03-30-2009	72,570,461	see Schedule K, Part V		X		X	X	
B	Rhode Island Health and Education Building Corporation	52-1300173	762243SS3	02-14-2006	160,884,410	see Schedule K, Part V		X		X	X	

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased	150,795,375	150,795,375		
3	Total proceeds of issue	72,570,461	160,884,410		
4	Gross proceeds in reserve funds	7,246,676			
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	1,069,664	1,377,349		
8	Credit enhancement from proceeds	1,256,743	3,827,355		
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	47,648,467			
11	Other spent proceeds	155,679,706	155,679,706		
12	Other unspent proceeds	15,395,934			
13	Year of substantial completion	2006	2006		
		Yes / No	Yes / No	Yes / No	Yes / No
14	Were the bonds issued as part of a current refunding issue?	/ X	/ X	/	/
15	Were the bonds issued as part of an advance refunding issue?	/ X	X /	/	/
16	Has the final allocation of proceeds been made?	/ X	X /	/	/
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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	/	/
2	Are there any lease arrangements that may result in private business use of bond-financed property?	/ 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				
b	Are there any research agreements that may result in private business use of bond-financed property?	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					
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					

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				
2	Is the bond issue a variable rate issue?		X		X				
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X				
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X		X				
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				
6	Did the bond issue qualify for an exception to rebate?		X		X				

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
		Schedule K, Part I, Lines A & B, Column (f) - see description of purpose on Schedule O

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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2010

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Name of the organization
Rhode Island Hospital

Employer identification number
05-0258954

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Roberts Carroll Feldstein Peirce	Partner	288,739	Legal Services		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
		* Edward Feldstein, Trustee, is a partner in Roberts, Carroll, Feldstein and Peirce, a law firm that provides legal services to a sister company, Lifespan Risk Services The common parent of RIH and Lifespan Risk Services is Lifespan Corporation During fiscal year 2011, Lifespan Risk Services paid Roberts, Carroll, Feldstein and Peirce $288,739 for services regarding RIH matters

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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
Rhode Island Hospital

Employer identification number
05-0258954

Identifier	Return Reference	Explanation
	Form 990, Schedule K, Part I, Line B, Column (f)	The proceeds of the Series 2009A Bonds are being used for the purposes of financing projects consisting of (i) the acquisition, construction, renovation, expansion and equipping of certain hospital and related health care facilities owned and operated or to be owned and operated by one or more of Rhode Island, The Miriam or Emma Pendleton Bradley Hospitals, located at and in the vicinity of the Hospital Campuses, (ii) equipping, furnishing and improving facilities and other depreciable assets used in health care operations on the Hospital Campuses, (iii) the funding of a debt service reserve fund for the Bonds, and (iv) the payment of certain expenses of issuance with respect to the Bonds

Identifier	Return Reference	Explanation
	Form 990, Schedule K, Part I, Line A, Column (f)	The proceeds of the Series 2006A Bonds were used (i) to advance refund a portion of the $214,585,000 Hospital Financing Revenue Bonds, Lifespan Obligated Group Issue, Series 1996, (ii) to advance refund a portion of the $78,000,000 Hospital Financing Revenue Bonds, Lifespan Obligated Group Issue, Series 2002 and (iii) to pay certain expenses incurred in connection with the issuance of the Series 2006A Bonds

Identifier	Return Reference	Explanation
	Form 990, Part XII, Line 2	While the Hospital did not produce a separate audited financial statement as of and for the year ended September 30, 2011, it was included in Rhode Island Hospital and Affiliates' consolidated audited financial statements, which include Rhode Island Hospital, RIH Ventures, Hospital Properties, Inc and Radiosurgery Center of Rhode Island, LLC There are no regulatory or creditor stipulations which require the preparation of a separate audited financial statement for the organization The Lifespan Audit and Compliance Committee assumes responsibility for oversight of the audit of RIH's consolidated financial statements and the selection of Lifespan's independent accountant

Identifier	Return Reference	Explanation
	Form 990, Part VI Section B, Lines 15 a&b cont	Base Salary Actions The CEO recommends any salary adjustments for participants in the executive compensation program, using the results of the valuation study and his/her assessment of individual performance or other pertinent information, for the Committee's consideration New Participants in Executive Compensation Program With respect to compensation offers for individuals expected to participate in the executive compensation program, the office of the Senior Vice President of Human Resources works with the Committee's independent compensation consultant or relies on information previously provided by the consultant to establish a range of reasonable cash compensation within which recruitment is expected to conclude with acceptance of a reasonable compensation offer

Identifier	Return Reference	Explanation
	Form 990, Part VI Section B, Lines 15 a&b	The following applies to Lifespan and all of its affiliates, including Rhode Island Hospital EXECUTIVE COMPENSATIONLifespan's executive compensation philosophy balances appropriate stewardship of resources and the need to be competitive in recruiting and retaining talented individuals It incorporates market-competitive and performance-related principles, and covers the President and CEO of Lifespan as well as other officers, senior management and key employees Lifespan's executive compensation program complies both with law and with contemporary ethical norms, and is administered consistent with the organization's tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC) and the avoidance of transactions subject to intermediate sanctions under Section 4958 of the IRC Executive compensation is also administered consistent with Lifespan's Corporate Compliance Policy on Excess Benefit Transactions The Compensation Committee of the Lifespan Corporation Board of Directors (the Committee), comprised of disinterested Lifespan and affiliate Board members, is responsible for diligent oversight of executive compensation to ensure compliance with IRC requirements Its duties include * Approving eligibility for participation in the executive compensation program * Approving changes in compensation for existing executive participants * Approving guidelines, such as salary ranges and contract terms, on appropriate levels of compensation for other key employees* Approving new, and modifying or terminating existing, executive compensation plans including, but not limited to, annual and long-term incentive and executive benefit plans* Approving performance objectives associated with Lifespan's annual and long-term incentive plans, including measuring points, and using audited actual performance relative to these objectives as a precondition to approving the payment of any awards under the plan(s)* Authorizing periodic performance benchmark studies to be conducted for purposes of assessing Lifespan's performance within the healthcare industry and the degree to which total remuneration levels at Lifespan are generally commensurate with Lifespan performance relative to healthcare industry performance* Conducting an annual performance review of Lifespan's Chief Executive Officer The Chair of the Committee conducts and documents this review, based on his/her observations and interpretation of feedback from members of the Board of Directors * Selecting and engaging qualified, independent, third party compensation valuation consultants that the Committee charges with rendering opinions with respect to the reasonableness and comparability of compensation as well as the comparative organizations against which compensation is assessed, in accordance with relevant sections of the IRC and Lifespan's executive compensation philosophy The independent consultants are not engaged by management to perform any services for Lifespan without prior approval by the Committee Lifespan's Chief Executive Officer works closely with the Committee to make recommendations on the above topics and keep the Committee informed about contemplated compensation changes for executives and other key employees, as well as candidates for these roles The CEO also provides periodic updates to the Committee regarding Lifespan's performance relative to compensation-related performance objectives The Committee's deliberations and actions are documented in minutes prepared for each meeting PROCESS FOR DETERMINING COMPENSATION Valuation of Total Cash and Total Remuneration No less frequently than annually, the Committee receives and reviews a total cash compensation valuation of all existing executive compensation program participants prepared by its independent compensation consultant Annually, the Committee also receives and reviews a total remuneration valuation of all existing executive compensation participants

Identifier	Return Reference	Explanation
	Form 990, Part VI Section B, Line 12c	Lifespan Corporation has a Conflict of Interest Policy that is applicable to all affiliates, including Rhode Island Hospital, and administered by Lifespan's Corporate Compliance Department as follows Each designated person subject to Lifespan's conflict of interest policy is required to provide Lifespan with an initial disclosure statement and thereafter an annual statement attesting that (i) the designated person has read and is familiar with this policy, and (ii) the designated person and, to the best of his/her knowledge, family members, have not in the past engaged in, are not presently engaging in, or plan to engage in, any activity which contravenes this policy If, at any time during the course of employment or association, a designated person has reason to believe that an existing or contemplated activity may contravene this policy, the person shall submit a full written description of the activity to the Lifespan Compliance Officer or the Office of the General Counsel to seek a determination as to whether the contemplated activity does or does not contravene this policy (For the bulk of Lifespan management staff knowledge of this requirement shall be acknowledged as part of the annual performance evaluation process) If the activity in question involves either the Chief Executive Officer, the Senior Vice President and General Counsel, or a Trustee, a full written disclosure must be made to, and a determination sought from, the Chairman of the Board of Directors of Lifespan Corporation Annually, the Lifespan Compliance Officer shall review and report to the Lifespan Executive Corporate Compliance Committee and to the Lifespan Audit and Compliance Committee on the administration of this policy Failure on the part of any designated person to comply with this policy, including failure to submit in a timely fashion the conflict of interest disclosure statement, will be grounds for removal from his/her position and/or termination of his/her employment with Lifespan

Identifier	Return Reference	Explanation
	Form 990, Part III, Line 4c, continued	Major areas of research include Cancer RIH participates in clinical trials of new therapeutic agents in both adult and pediatric medicine These trials are supported by the National Cancer Institute and include the Cancer and Leukemia Group B (CALGB), Pediatric Oncology Group (POG), National Surgical Adjuvant Breast and Bowel Project (NSABP), and the Southwest Oncology Group (SWOG) RIH is a participating hospital in the Brown University-sponsored Cancer Oncology group (BrUCOG) The Liver Research Center The Liver Research Center emphasizes studies relating to the molecular biology of liver diseases such as Hepatitis B and C and cellular carcinoma Heart Disease Clinical research continues in antithrombolytic therapy and anticoagulant therapy General research continues in areas of invasive therapy, such as angioplasty, artherectomy, coronary stenting, and laser treatment of coronary artery disease

Identifier	Return Reference	Explanation
	Form 990, Part III, Line 4b, continued	Under an affiliation agreement with The Warren Alpert Medical School of Brown University (Brown), RIH participates jointly in various clinical training programs and research activities In 2010, Brown named RIH its Principal Teaching Hospital The goals of the partnership are to facilitate the expansion of joint educational and research programs in order to compete both clinically and academically The Hospital currently sponsors 46 graduate medical education programs accredited by or under the auspices of the Accreditation Council for Graduate Medical Education (ACGME), while also sponsoring another 26 hospital-approved residency and fellowship programs The Hospital serves as the principal setting for these clinical training programs comprised of approximately 590 trainees in the following disciplines internal medicine and medicine subspecialties, including hematology and oncology, clinical neurosciences, general surgery and surgical specialties, pediatrics and pediatric specialties, including hematology and oncology, dermatology, radiology, pathology, child psychiatry, emergency medicine and emergency medicine specialties, dentistry, and medical physics In 2011, Brown University enrolled 393 students in undergraduate medical education programs All medical students at Brown receive training at RIH The Hospital teaching faculty help to ensure that the experience for both undergraduate and graduate medical education trainees remains transformative - transforming novice practitioners into physicians able to think, act, and keep their focus on the ultimate goal of providing the best and most appropriate care for patients no matter what the setting or circumstances The Hospital is also a participating clinical training site for another 200 residents and fellows based at other institutions in anesthesiology, general surgery, colorectal surgery, cardiothoracic surgery, family medicine, infectious disease, hematology/oncology, rheumatology, obstetrics/gynecology (OB/Gyn) and OB/Gyn subspecialties, otolaryngology, podiatry, psychiatry, geriatric psychiatry, orthopedics, pulmonary medicine, pediatric dentistry, and radiation oncology programs With respect to nursing education, the Hospital has developed formal and informal educational affiliations with the University of Rhode Island College of Nursing, Rhode Island College, Community College of Rhode Island, Salve Regina University, Boston College, Yale University, Regis College, Simmons College, St Joseph's Health Services School of Nursing, the University of Massachusetts campuses at Dartmouth, Boston, Amherst and Worcester, the University of Connecticut, the University of Pennsylvania, Walden University, and New England Technical Institute, pursuant to which their nursing students obtain clinical training and experience at the Hospital The Hospital does not receive any compensation from the various schools for providing a clinical setting for the student nurse training RIH sponsors training programs in the following medical fields medical technology, diagnostic medical sonography, nuclear medicine technology, radiologic technology, mammography, computed tomography, and magnetic resonance imaging At RIH, clinical affiliations/student clinical training programs are provided through contracts with a number of colleges and universities in the professional areas of speech-language pathology and audiology, physical therapy, and occupational therapy In addition, RIH serves as the clinical setting for training programs in histology, phlebotomy, child development and social work. RIH also has clinical affiliations/student clinical training programs for pharmacy students provided through contracts with a number of colleges and universities

Identifier	Return Reference	Explanation
	Form 990, Part III, Line 4a, continued	In 2011, RIH discharged 35,140 inpatients with total inpatient days of 190,123, treated 148,831 patients in its emergency department, performed 22,533 inpatient and outpatient surgical procedures, and cared for 163,780 patients in outpatient clinics Special services, facilities and programs provided by RIH include the Comprehensive Cancer Center for adults, cardiology services, comprised of cardiac catheterization, balloon angioplasty and open heart surgery, critical care services, microvascular surgery, nuclear cardiology, radiology, laboratory, renal dialysis, computerized tomography, orthopedics, including minimally invasive carpal tunnel surgery and cartilage transplants for knee defects, and magnetic resonance imaging (MRI) RIH is the designated Level I Trauma Center for the State of Rhode Island and southeastern Massachusetts, with a state-of-the-art emergency department (ED) and a dedicated pediatric ED RIH's adult ED includes a dedicated radiology unit, including 4-slice and 16-slice CT scanners, ultrasound and x-ray machines, an all-inclusive chest pain center, a critical care unit for the most seriously injured and ill, and private treatment rooms In 2007, RIH was the first hospital in New England to place a cardiac catheterization lab in its ED, providing faster care and preserving heart muscle function for acute cardiac patients RIH provides a full range of services to patients, with particular expertise in diagnostic imaging, cardiology, oncology (both medical and radiation), neurosciences and orthopedics RIH offers imaging with the PET/CT technology for cancer staging, while cardiac MRI and 64-slice cardiac CT scanners are powerful tools for evaluating heart disease and function The Anne C Pappas Center for Breast Imaging is the only facility in the state to be designated a Breast Imaging Center of Excellence by the American College of Radiologists In the area of cancer services, RIH pioneered image-guided tumor ablation, which shrinks or eliminates tumors by destroying them with heat (microwave ablation and radiofrequency ablation) or by freezing them (cryoablation) In addition, radiation oncology services include a linear accelerator for image-guided radiotherapy and stereotactic radiosurgery, as well as electronic brachytherapy for early-stage breast cancer patients, which reduces average treatment times from eight weeks to five days In the area of surgical oncology, RIH is the only hospital in the state and one of only a few hospitals in New England to offer hyperthermic intraperitoneal chemoperfusion (HIPEC) for patients with advanced cancer of the abdomen In the sphere of neurosurgery, RIH features one of the first gamma knife surgical centers in the United States, which offers intracranial stereotactic radiosurgery for the non-invasive treatment of brain lesions previously inaccessible or unsuccessfully treated by conventional therapies Rhode Island Hospital provides a wide-range of both adult, adolescent and child behavioral health services Related behavioral health services programs and research provided include psychiatry emergency services for adults, adolescents and children, psychiatry consultation liaison services, correctional psychiatry program, inpatient and geriatric psychiatry programs, mood disorders program, gambling treatment program, anxiety disorders program, body dysmorphic disorder program, behavioral sleep medicine program, substance abuse treatment program, neuropsychiatric services, adult and pediatric neuropsychology services, adult and pediatric partial hospitalization programs, family research program and Bradley Hasbro Children's Research Center

Identifier	Return Reference	Explanation
	Form 990, Part I, Line 6	Volunteers support and contribute to the mission of RIH and HCH every day They are able to learn, meet other dedicated volunteers, better understand the healthcare environment, and gain personal satisfaction knowing they are making a difference to patients, families, visitors, and vendors alike Volunteer positions are available for both teens and adults in a wide variety of positions, including greeters, family liaisons, emergency room support, gift shop support, nurse aides, office support, pet therapy, physical therapy, patient visitors, recovery room support, art therapy and central transporters Volunteers also transport students and serve as guides, escorts and interpreter aides

Identifier	Return Reference	Explanation
		RIH also offers pediatric services through its pediatric division, Hasbro Children's Hospital (HCH) HCH's specialties include cardiology, orthopedics and hematology/oncology HCH also has the area's only center for pediatric imaging, as well as the area's only pediatric intensive care unit, pediatric oncology and outpatient cardiac programs, pediatric emergency department, and pediatric surgical unit It operates specialty clinics treating children ranging in age from newborn to 18 years Services and programs include adolescent medicine, the Asthma and Allergy Center, the Children's Neurodevelopment Center, Child Life Program, Child Protection Program, dermatology, gastroenterology, infectious disease, the Injury Prevention Center, the Kidney Transplant Center, nephrology, neurosurgery, nutrition, the Partial Hospitalization program, surgery, plastic surgery, primary care clinic, rehabilitation services, Sickle Cell Clinic, and urology Additional special services, facilities and programs furnished by RIH include the endovascular hybrid operating room suite (the only one of its kind in Rhode Island, the suite's design provides vascular surgeons with the flexibility to perform minimally invasive procedures and traditional open surgeries simultaneously with limited anesthesia), adult and pediatric kidney and pancreas transplant center, Alzheimer's disease and memory disorders center, an adult and pediatric hemostasis and thrombosis center, an adult and pediatric diabetes and endocrinology center, colorectal care center, and the transfusion-free medicine and surgery program, one of only two such formalized programs in New England RIH also holds designation or certification as a bariatric surgery center of excellence, adult and pediatric burn center, breast imaging center of excellence, primary stroke center, and the distinction center for spine surgery, knee and hip replacement, and complex and rare cancers RIH provides full charity care for individuals at or below twice the federal poverty level, with a sliding scale for individuals up to four times the poverty level In addition, a substantial charity allowance is offered to all other uninsured patients The Hospital determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including compensation and benefits, supplies, and other operating expenses, based on data from its costing system The total cost, excluding medical education and research, incurred by the Hospital to provide charity care amounted to $44,331,875 in fiscal 2011 Charges forgone, based on established rates, amounted to $162,888,000 RIH substantially subsidized various health services including the following programs adult psychiatry, diabetes, dental, adolescent, and Alzheimer's, as well as the Center for Special Children, early intervention, occupational health and certain other specialty services at a cost of $7,956,808 in fiscal year 2011 RIH also provides numerous other services to the community for which charges are not generated These services include certain emergency services, community health screenings for cardiac health, prostate cancer and other diseases, smoking cessation, immunization, nutrition programs, diabetes education, community health training programs, patient advocacy, foreign language translation, physician referral services, and charitable contributions The cost of these services amounted to $296,800 in fiscal 2011 RIH is accredited by The Joint Commission, the Accreditation Council for Graduate Medical Education for residency and fellowship training, the Accreditation Council for Continuing Medical Education of the Rhode Island Medical Society, the American College of Surgeons' Commission on Cancer, the Joint Review Committees on Educational Programs in Nuclear Medicine Technology and Radiologic Technology, the Commission of Accreditation of Allied Health Education Programs, and the National Accrediting Agency for Clinical Laboratory Sciences

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 19	Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	Lifespan and the Lifespan Obligated Group, which consists of RIH and Affiliates, The Miriam Hospital, Emma Pendleton Bradley Hospital, Rhode Island Hospital Foundation, and The Miriam Hospital Foundation, currently make their annual and quarterly consolidated financial statements available to the public via DAC (Digital Assurance Certification LLC), a disclosure dissemination agent for issuers of the tax-exempt bonds which electronically posts and transmits Lifespan's financial information to repositories and investors alike In addition, copies of the Hospital's Articles of Incorporation, Bylaws, and Conflict of Interest Policy are available upon request from the office of the Lifespan Chief Financial Officer, either in person or by mail

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 11	Form 990, Part VI, Line 11 Form 990 Review Process	The preparation and filing of the Form 990 and supporting schedules is the responsibility of the Chief Financial Officer and Lifespan's Finance Department, with review by Lifespan's tax advisors, KPMG, LLP The Form 990 is prepared by the accounting staff upon completion of Rhode Island Hospital's annual independent audit for initial review by the Director of Finance and the Vice President of Finance - Corporate Services Once the draft 990 is complete, the Director of Finance forwards it with all supporting worksheets to KPMG, which then reviews the completed form in detail The Director of Finance answers questions as they arise and provides additional information as needed Any recommended changes are incorporated into the return The draft Form 990 is then provided to the Chief Financial Officer for final management review Prior to filing the return with the Internal Revenue Service, a copy of the entire form is sent to Rhode Island Hospital's Board of Trustees in advance of its next Board meeting, at which the Chief Financial Officer discusses the highlights of the Form All questions and concerns of the members of the Board are addressed by the Chief Financial Officer and incorporated into the Form 990 when appropriate The Chief Financial Officer is authorized to file the Form 990

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7a	Form 990, Part VI, Line 7a How Members or Shareholders Elect Governing Body	The bylaws of Rhode Island Hospital (RIH) confer certain reserved powers on Lifespan to provide it with the means of effective oversight, coordination and support of the system Powers reserved to Lifespan include to elect and remove trustees and to approve the election of and to remove certain officers At each annual meeting of the RIH Board of Trustees, a list is compiled of the names of those persons selected to serve as Trustees of RIH so that it can be approved and submitted to Lifespan for ratification and election

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 6	Form 990, Part VI, Line 6 Explanation of Classes of Members or Shareholder	Lifespan Corporation is the sole corporate member of Rhode Island Hospital

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 4	Form 990, Part VI, Line 4 Description of Significant Changes to Organizational Documents	Revised Article III - Board of TrusteesSection 3 02, Number and Qualifications, reflects a revision in the number of elected trustees from 21 to 20 In addition Section 3 02(b), Ex Officio Voting Trustees, was revised to include the Chair of The Miriam Hospital Foundation or his/her designee as an ex officio voting member of the Board of Trustees Section 3 02(c), Ex Officio Non-Voting Trustees, was revised to exclude the Chair of The Miriam Hospital

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 2	Form 990, Part VI, Line 2 Description of Business or Family Relationship of Officers, Directors, Et	Mary A Wakefield is an officer of Lifespan Corporation The following officers of Rhode Island Hospital are employed by Lifespan Timothy J Babineau, MD and Frederick J Macri Mary A Wakefield, Timothy J Babineau, MD, and Frederick J Macri are all officers of Rhode Island Hospital Penelope H Dennehy is employed by Rhode Island Hospital

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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
Rhode Island Hospital

Employer identification number
05-0258954

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
See Additional Data Table							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) 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
(1) Lubris LLC 111 Speen Street Suite 303 Framingham, MA01701 27-0582012	Technology	MA	NA	Related		3,399		No			No	7 5 %
(2) Southern New England Rehabilitation Ptr 200 High Service Avenue North Providence, RI02904 05-0482868	Rehab Svcs	RI	NA	Related	98,566	337,813		No		Yes		50 %
(3) Radiosurgery Center of Rhode Island LLC 593 Eddy Street Providence, RI02903 26-2171671	Radiosurg	RI	NA	Related	-577,490	3,646,761		No		Yes		55 %
(4) Orthopedic MRI of Rhode Island LLC 100 Butler Drive Providence, RI02906 26-1293469	Imaging Svc	RI	NA	Related	81,711	246,772		No			No	33 33 %
(5) MRICT of Providence LLC 695 Eddy Street Providence, RI02903 04-3563061	Imaging Svc	RI	NA	Related	-27,923	413,907		No			No	50 %

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) Will of Arthur H Boss co Bank of Amer 111 Westminster Street Providence, RI029032305 05-6019099	Philanthropic	RI	N/A	T	17,320	355,691	100 000 %
(2) VNA Technicare Inc 622 George Washington Highway Lincoln, RI02865 05-0472710	DME Sales	RI	NA	C			
(3) Lifespan Risk Services Inc 167 Point Street Providence, RI02903 05-0459767	Risk Mgmnt	RI	NA	C			
(4) Lifespan MSO Inc 167 Point Street Providence, RI02903 05-0508717	Mgmnt Svcs	RI	NA	C			

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
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	Yes	
d Loans or loan guarantees to or for other organization(s)	1d		No
e Loans or loan guarantees by other organization(s)	1e		No
f Sale of assets to other organization(s)	1f		No
g Purchase of assets from other organization(s)	1g		No
h Exchange of assets	1h		No
i Lease of facilities, equipment, or other assets to other organization(s)	1i	Yes	
j Lease of facilities, equipment, or other assets from other organization(s)	1j	Yes	
k Performance of services or membership or fundraising solicitations for other organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations by other organization(s)	1l	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	Yes	
p Reimbursement paid by other organization for expenses	1p	Yes	
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	Yes	

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) Southern New England Rehabilitation Ptr	p	174,934	Accrual
(2) Southern New England Rehabilitation Ptr	n	157,172	Accrual
(3) Radiosurgery Center of Rhode Island LLC	p	378,000	Cash Basis
(4) Radiosurgery Center of Rhode Island LLC	n	212,735	Accrual
(5) Radiosurgery Center of Rhode Island LLC	a	106,376	Accrual
(6) Hospital Properties Inc	b	393,362	Accrual

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: 10000105
Software Version: 2010v3.2
EIN: 05-0258954
Name: Rhode Island Hospital

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

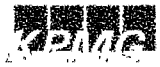
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
RI Sound Enterprises Insurance Co Ltd 65 Front Street Hamilton HM 12 BD	Offshore Insurance Captive	BD	N/A	N/A	NA		No
The Neurology Foundation Inc 34 Parsonage Street Providence, RI02903 05-0448314	Medical Care	RI	501(c)(3)	11	N/A		No
The Miriam Hospital Foundation 167 Point Street Providence, RI02903 05-0377502	Philanthropic Activities	RI	501(c)(3)	7	NA		No
The Miriam Hospital 164 Summit Avenue Providence, RI02906 05-0258905	Health Care Services	RI	501(c)(3)	3	NA		No
Rhode Island Hospital Foundation 167 Point Street Providence, RI02903 05-0468736	Philanthropic Activities	RI	501(c)(3)	7	NA		No
RIH Ventures 593 Eddy Street Providence, RI02903 05-0448686	Parking Facilities/ Phlebotomy Services	RI	501(c)(3)	11	NA		No
NHCC Medical Associates Inc 11 Friendship Street Newport, RI02840 05-0472268	Health Care Services	RI	501(c)(3)	11	NA		No
Newport Hospital Foundation Inc 11 Friendship Street Newport, RI02840 22-2535533	Philanthropic Activities	RI	501(c)(3)	7	NA		No
Newport Hospital 11 Friendship Street Newport, RI02840 05-0258914	Health Care Services	RI	501(c)(3)	3	NA		No
Newport Health Property Management Inc 11 Friendship Street Newport, RI02840 22-2335539	Property Management	RI	501(c)(3)	11	NA		No
Newport Health Care Corporation 11 Friendship Street Newport, RI02840 22-2535537	Holding Company/ Mgmnt Services	RI	501(c)(3)	7	NA		No
Lifespan of Massachusetts Inc c/o Archstone Law 245 Winter St Waltham, MA02451 04-3408517	Holding Company	MA	501(c)(3)	11	NA		No

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
Lifespan Foundation 167 Point Street Providence, RI02903 05-0493219	Philanthropic Activities	RI	501(c)(3)	7	NA		No
Lifespan Diversified Services 167 Point Street Providence, RI02903 05-0258935	Holding Company/ Mgmnt Services	RI	501(c)(3)	11	NA		No
Lifespan Corporation 167 Point Street Providence, RI02903 22-2861978	Holding Company/ Mgmnt Services	RI	501(c)(3)	11	NA		No
Hospital Properties Inc 593 Eddy Street Providence, RI02903 22-2869743	Property Management	RI	501(c)(4)		NA		No
Emma Pendleton Bradley Hospital 1011 Veterans Memorial Parkway East Providence, RI02915 05-0258806	Pediatric Psychiatric Health Care Services	RI	501(c)(3)	3	NA		No
Bradley Hospital Foundation 167 Point Street Providence, RI02903 05-0500688	Philanthropic Activities	RI	501(c)(3)	7	NA		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)	Southern New England Rehabilitation Ptr	p	174,934	Accrual
(2)	Southern New England Rehabilitation Ptr	n	157,172	Accrual
(3)	Radiosurgery Center of Rhode Island LLC	p	378,000	Cash Basis
(4)	Radiosurgery Center of Rhode Island LLC	n	212,735	Accrual
(5)	Radiosurgery Center of Rhode Island LLC	a	106,376	Accrual
(6)	Hospital Properties Inc	b	393,362	Accrual



RHODE ISLAND HOSPITAL AND AFFILIATES

Consolidated Financial Statements

September 30, 2011 and 2010

(With Independent Auditors' Report Thereon)

RHODE ISLAND HOSPITAL AND AFFILIATES

Consolidated Financial Statements

September 30, 2011 and 2010

Table of Contents

KPMG LLP
6th Floor, Suite A
100 Westminster Street
Providence, RI 02903-2321

Independent Auditors' Report

The Board of Trustees
Rhode Island Hospital:

We have audited the accompanying consolidated statements of financial position of Rhode Island Hospital and Affiliates (the Hospital) as of September 30, 2011 and 2010, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended. These 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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Rhode Island Hospital and Affiliates as of September 30, 2011 and 2010, and the results of their operations and changes in net assets, and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

February 8, 2012

RHODE ISLAND HOSPITAL AND AFFILIATES

Consolidated Statements of Financial Position

September 30, 2011 and 2010

(In thousands)

Assets	2011	2010
Current assets		
Cash and cash equivalents	$ 22 610	$ 47 816
Patient accounts receivable	172 017	172 192
Less allowance for doubtful accounts	(44 535)	(42 876)
Net patient accounts receivable	127 482	129 316
Other receivables	21 216	23 206
Total receivables	148 698	152 522
Assets limited as to use	729	890
Inventories	12 282	12 020
Prepaid expenses and other current assets	2 083	2 040
Total current assets	186 402	215 288
Interest in net assets of Rhode Island Hospital Foundation	51 844	50 757
Assets limited as to use	502 444	510 927
Less amount required to meet current obligations	(729)	(890)
Noncurrent assets limited as to use	501 715	510 037
Property and equipment, net	501 134	494 584
Other assets		
Deferred charges and financing costs, net	6 363	6 911
Other noncurrent assets	705	1 733
Total other assets	7 068	8 644
Total assets	$ 1 248 163	$ 1 279 310

Liabilities and Net Assets	2011	2010
Current liabilities		
Accounts payable	$ 37 664	$ 35 619
Accrued employee benefits and compensation	26 869	32 417
Other accrued expenses	32 611	23 792
Current portion of long-term debt	7 523	7 152
Current portion of estimated third-party payor settlements	16 845	20 146
Estimated health care benefit self-insurance costs	3 128	3 955
Total current liabilities	124 640	123 081
Long-term debt, net of current portion	255 390	263 427
Estimated third-party payor settlements, net of current portion	25 824	42 324
Accrued pension liability	124 624	125 337
Other liabilities	26 560	23 235
Total liabilities	557 038	577 404
Net assets		
Unrestricted	400 847	413 234
Temporarily restricted	218 428	221 243
Permanently restricted	71 850	67 429
Total net assets	691 125	701 906
Total liabilities and net assets	$ 1 248 163	$ 1 279 310

See accompanying notes to consolidated financial statements

RHODE ISLAND HOSPITAL AND AFFILIATES

Consolidated Statements of Operations and Changes in Net Assets

Years ended September 30, 2011 and 2010

(In thousands)

	2011	2010
Unrestricted revenues and other support		
Net patient service revenue	$ 965,335	$ 918,658
Other revenue	33,244	36,738
Endowment earnings contributed toward community benefit	7,998	7,822
Net assets released from restrictions used for operations	19,105	18,627
Net assets released from restrictions used for research	53,564	52,845
Total unrestricted revenues and other support	1,079,246	1,034,690
Operating expenses		
Compensation and benefits	594,260	549,892
Supplies and other expenses	204,921	212,888
Purchased services	119,408	106,245
Provision for bad debts	62,147	54,199
Depreciation and amortization	34,682	33,727
Interest	14,084	14,394
License fees	44,926	41,233
Total operating expenses	1,074,428	1,012,578
Income from operations	4,818	22,112
Nonoperating gains and losses		
Net realized (losses) gains on board-designated investments	(1,912)	2,073
Litigation settlement (note 15)	(8,359)	—
Other nonoperating gains, net	52	560
Total nonoperating (losses) gains, net	(10,219)	2,633
(Deficiency) excess of revenues over expenses	$ (5,401)	$ 24,745

RHODE ISLAND HOSPITAL AND AFFILIATES

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

Years ended September 30, 2011 and 2010

(In thousands)

	2011	2010
Unrestricted net assets		
(Deficiency) excess of revenues over expenses	$ (5,401)	$ 24,745
Other changes in unrestricted net assets		
Change in funded status of pension and other postretirement plans, other than net periodic pension and postretirement benefit costs	(10,237)	(20,017)
Net change in unrealized gains on investments available for sale	(566)	9,953
Net assets released from restrictions used for purchase of property and equipment	4,970	4,766
Decrease in interest in net assets of Rhode Island Hospital Foundation	(684)	(856)
Decrease in noncontrolling interest in affiliate	(469)	(23)
(Decrease) increase in unrestricted net assets	(12,387)	18,568
Temporarily restricted net assets		
Gifts, grants and bequests	63,701	63,996
Income from restricted endowment and other restricted investments	2,500	2,664
Decrease in interest in net assets of Rhode Island Hospital Foundation	(3,218)	(769)
Transfers from Rhode Island Hospital Foundation	8,292	5,292
Net assets released from restrictions	(77,639)	(76,238)
Net realized and unrealized gains on investments	3,549	18,920
(Decrease) increase in temporarily restricted net assets	(2,815)	13,865
Permanently restricted net assets		
Net change in unrealized gains on investments	(568)	585
Increase in interest in net assets of Rhode Island Hospital Foundation	4,989	9,830
Increase in permanently restricted net assets	4,421	10,415
(Decrease) increase in net assets	(10,781)	42,848
Net assets, beginning of year	701,906	659,058
Net assets, end of year	$ 691,125	$ 701,906

See accompanying notes to consolidated financial statements

RHODE ISLAND HOSPITAL AND AFFILIATES

Consolidated Statements of Cash Flows

Years ended September 30, 2011 and 2010

(In thousands)

	2011	2010
Cash flows from operating activities		
(Decrease) increase in net assets	$ (10,781)	$ 42,848
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities		
Change in funded status of pension and other postretirement plans, other than net periodic pension and postretirement benefit costs	10,237	20,017
Net realized and unrealized gains on investments	(503)	(31,531)
Undistributed portion of change in interest in net assets of Rhode Island Hospital Foundation	(1,087)	(8,205)
Transfers from Rhode Island Hospital Foundation	(8,292)	(5,292)
Depreciation and amortization	34,682	33,727
Provision for estimated health care benefit self-insurance costs	57,150	55,248
Decrease in liabilities for estimated health care benefit self-insurance costs resulting from claims paid	(57,977)	(55,771)
Net decrease (increase) in patient accounts receivable	1,834	(12,707)
Increase in accounts payable	2,045	3,130
Decrease in accrued employee benefits and compensation	(5,548)	(7,162)
Decrease in estimated third-party payor settlements	(19,801)	(2,969)
Increase in all other current and noncurrent assets and liabilities, net	3,393	4,796
Net cash provided by operating activities	5,352	36,129
Cash flows from investing activities		
Purchase of property and equipment	(40,684)	(38,449)
Net decrease in trustee-held bond funds	11,711	11,773
Other net increases in assets limited as to use	(2,725)	(42,005)
Net cash used in investing activities	(31,698)	(68,681)
Cash flows from financing activities		
Payments on long-term debt	(7,152)	(6,851)
Transfers from Rhode Island Hospital Foundation	8,292	5,292
Net cash provided by (used in) financing activities	1,140	(1,559)
Net decrease in cash and cash equivalents	(25,206)	(34,111)
Cash and cash equivalents, beginning of year	47,816	81,927
Cash and cash equivalents, end of year	$ 22,610	$ 47,816
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 14,785	$ 15,084

See accompanying notes to consolidated financial statements

(In thousands)

(1) Description of Organization

Rhode Island Hospital (the Hospital), located in Providence, Rhode Island, is a 719-bed nonprofit general acute care teaching hospital with university affiliation providing a comprehensive range of diagnostic and therapeutic services (excluding obstetrics) for the acute care of patients principally from Rhode Island and southeastern Massachusetts. As a complement to its role in service and education, the Hospital actively supports research. The Hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and participates as a provider primarily in Medicare, Blue Cross and Medicaid programs. The Hospital is also a member of Voluntary Hospitals of America, Inc. (VHA).

Effective August 9, 1994, the Hospital and The Miriam Hospital (TMH) of Providence, RI (247 beds) implemented a plan which included the creation of a not-for-profit parent company, Lifespan Corporation. Each hospital continues to maintain its own identity and Board of Trustees, as well as its own campus and its own name. Lifespan, the sole member of the Hospital and TMH, has the responsibility for strategic planning and initiatives, capital and operating budgets, and overall governance of the consolidated organization.

In 2009, Lifespan announced its intention to combine the Hospital and TMH into a single hospital with two campuses. Rhode Island Hospital Foundation and The Miriam Hospital Foundation will remain as separate entities. The hospitals have begun to integrate clinical programs and services and do not expect the elimination of services or a significant loss of jobs. Each has nominated, and Lifespan has selected, an identical slate of trustees to serve as the governing body for both hospitals.

(2) Charity Care and Other Community Benefits

The total net cost of charity care and other community benefits provided by the Hospital for the years ended September 30, 2011 and 2010 is summarized in the following table:

	2011	2010
Charity care	$ 46,592	$ 45,104
Medical education, net	49,767	43,115
Research	10,325	9,475
Subsidized health services	8,559	6,812
Community health improvement services and community benefit operations	919	984
Total	$ 116,162	$ 105,490

Charity Care

The Hospital provides full charity care for individuals at or below twice the federal poverty level, with a sliding scale for individuals up to four times the poverty level. In addition, a substantial charity allowance is offered to all other uninsured patients. The Hospital determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including compensation and benefits, supplies, and other operating expenses, based on data from its costing system. The total cost, excluding

(2) Charity Care and Other Community Benefits (continued)

medical education and research, incurred by the Hospital to provide charity care amounted to $46,592 and $45,104 in 2011 and 2010, respectively. Charges forgone, based on established rates, amounted to $162,888 and $160,728 in 2011 and 2010, respectively.

Medical Education

The Hospital provides the setting for and substantially supports medical education in various clinical training and nursing programs. The total cost of medical education provided by the Hospital exceeds the reimbursement received from third-party payors by $49,767 and $43,115 in 2011 and 2010, respectively.

In 1969, the Hospital and certain other Rhode Island hospitals entered into an affiliation agreement to participate jointly in various clinical training programs and research activities with Brown Medical School, renamed The Warren Alpert Medical School of Brown University (Brown). In 2010, Brown named the Hospital its Principal Teaching Hospital. TMH and Emma Pendleton Bradley Hospital (EPBH) continue to be designated as major teaching affiliates. The goals of the partnership are to facilitate the expansion of joint educational and research programs in order to compete both clinically and academically. The Hospital currently sponsors 46 graduate medical education programs accredited by or under the auspices of the Accreditation Council for Graduate Medical Education (ACGME), while also sponsoring another 26 hospital-approved residency and fellowship programs. The Hospital serves as the principal setting for these clinical training programs, which encompass the following disciplines: internal medicine and medicine subspecialties, including hematology and oncology; orthopedics and orthopedic subspecialties; clinical neurosciences; general surgery and surgical specialties; pediatrics and pediatric specialties, including hematology and oncology; dermatology; radiology; pathology; child psychiatry; emergency medicine and emergency medicine specialties; dentistry; and medical physics. The Hospital provides stipends to residents and physician fellows while in training.

The Hospital is also a participating clinical training site for residents from other programs in anesthesiology, pediatric dentistry, family medicine, infectious disease, obstetrics/gynecology (OB/Gyn) and OB/Gyn subspecialties, otolaryngology, podiatry, psychiatry, geriatric psychiatry, orthopedics, pulmonary medicine, rheumatology, general surgery, colorectal surgery, cardiothoracic surgery, and radiation oncology programs.

With respect to nursing education, the Hospital has developed formal and informal educational affiliations with the University of Rhode Island College of Nursing; Rhode Island College; Community College of Rhode Island; Salve Regina University; Boston College; Yale University; Regis College; Simmons College; St. Joseph's Health Services' School of Nursing; the University of Massachusetts campuses at Dartmouth, Boston, Amherst and Worcester; the University of Connecticut; New England Technical Institute; Walden University; and the University of Pennsylvania, pursuant to which their nursing students obtain clinical training and experience at the Hospital. The Hospital does not receive any compensation from the various schools for providing a clinical setting for the student nurse training.

(Continued)

(2) Charity Care and Other Community Benefits (continued)

The Hospital sponsors training programs in the following medical fields: medical technology; diagnostic medical sonography; nuclear medical technology; radiologic technology; mammography; computed tomography; and magnetic resonance imaging. At the Hospital, clinical affiliations/student clinical training programs are provided through contracts with a number of colleges and universities in the professional areas of speech-language pathology and audiology, physical therapy, and occupational therapy. In addition, the Hospital serves as the clinical setting for training programs in histology, phlebotomy, child development and social work.

The Hospital has clinical affiliations/student clinical training programs for pharmacy students provided through contracts with a number of colleges and universities.

Research

The Hospital conducts extensive medical research and is in the forefront of biomedical health care delivery research and among the leaders nationally in National Institutes of Health programs. The Hospital also sponsors a significant level of these research activities, as indicated in the table on page 6.

Federal support accounts for approximately 75% of all externally funded research at the Hospital. Researchers focus on clinical trials which investigate prevention and treatment of HIV/AIDS, obesity, cancer, diabetes, cardiac disease, neurological problems, orthopedic advancements, and mental health concerns. Researchers may work in the laboratory or with patients, or both.

Subsidized Health Services

The Hospital substantially subsidizes various health services including the following programs: adult psychiatry, diabetes, dental, adolescent, and Alzheimer's, as well as the Center for Special Children, early intervention, occupational health, and certain other specialty services.

Community Health Improvement Services and Community Benefit Operations

The Hospital also provides numerous other services to the community for which charges are not generated. These services include certain emergency services, community health screenings for cardiac health, prostate cancer and other diseases, smoking cessation, immunization, and nutrition programs, diabetes education, community health training programs, patient advocacy, foreign language translation, physician referral services, and charitable contributions.

(3) Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements also include the accounts of RIH Ventures (RIHV), Hospital Properties, Inc. (HPI) and Radiosurgery Center of Rhode Island, LLC (RCRI). Operations of RIHV include phlebotomy services which facilitate laboratory specimen testing, as well as parking facilities that serve patients and staff of the Hospital. HPI owns and operates a physicians' office building on behalf of the Hospital. RIH owns a 55% interest in RCRI, a limited liability company formed to

(3) Summary of Significant Accounting Policies (continued)

operate a radiation therapy center utilizing cyberknife technology. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Hospital considers events and transactions that occur after the consolidated statement of financial position date, but before the consolidated financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. These consolidated financial statements were issued on February 8, 2012 and subsequent events have been evaluated through that date.

(b) Use of Estimates

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

(c) Accounting Pronouncement Not Yet Adopted

In July 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-07, Health Care Entities (Topic 954): *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* (ASU 2011-07), which requires certain health care entities to change the presentation of their statement 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, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts. Also required are disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. ASU 2011-07 is effective for the Hospital's fiscal year beginning October 1, 2012, and the change in presentation is not expected to significantly impact the Hospital's financial position, results of operations or cash flows.

(d) Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid debt instruments with maturities of three months or less when purchased, excluding amounts limited as to use by board-designation or other arrangements under trust agreements.

(3) Summary of Significant Accounting Policies (continued)

(e) Investments and Investment Income

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 820-10, *Fair Value Measurements and Disclosures* (ASC 820-10), defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. ASC 820-10 establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

- Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date;
- Level 2 – observable prices that are based on inputs not quoted in active markets, but which are corroborated by market data; and
- Level 3 – unobservable inputs that are used when little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Following is a description of the valuation methodologies used for investments measured at fair value:

Cash and short-term investments: Valued at the net asset value (NAV) reported by the financial institution.

U S government/agency and corporate obligations: Valued using market quotations or prices obtained from independent pricing sources which may employ various pricing methods to value the investments, including matrix pricing based on quoted prices for securities with similar coupons, ratings and maturities.

Corporate equity securities: Valued at the closing price reported by an active market in which the individual securities are traded.

Collective investment funds: Valued using NAV as reported by the investment manager, which approximates the market values of the underlying investments within the fund or realizable value as estimated by the investment manager.

Investments in equity securities with readily determinable fair values and all investments in debt securities are valued at the closing prices reported by an active market in which the individual securities are traded. Investments in collective investment funds with monthly pricing and liquidity are valued using NAV as a practical expedient; otherwise, such investments are recorded at historical cost. Investments of less than 5% in limited partnerships are also recorded at historical cost.

(3) Summary of Significant Accounting Policies (continued)

Investments of 5% or more in limited partnerships, limited liability corporations or similar investments are accounted for using the equity method. Investments in derivative financial instruments are not material.

The Hospital has applied the accounting guidance in Accounting Standards Update No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2009-12), which permits the use of NAV or its equivalent reported by each underlying alternative investment fund as a practical expedient to estimate the fair value of the investment. These investments are generally redeemable or may be liquidated at NAV under the original terms of the subscription agreements or operations of the underlying funds. Also, because the Hospital uses NAV as a practical expedient to estimate fair value, the level in the fair value hierarchy in which each fund's fair value measurement is classified is based primarily on the Hospital's ability to redeem its interest in the fund at or near the date of the consolidated statement of financial position. Accordingly, the inputs or methodology used for valuing or classifying investments for financial reporting purposes are not necessarily an indication of the risk associated with those investments or a reflection on the liquidity of each fund's underlying assets and liabilities.

Investments designated by the Hospital as trading securities are reported at fair value, with gains or losses resulting from changes in fair value recognized in the consolidated statement of operations and changes in net assets as realized gains or losses on investments.

Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the (deficiency) excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments other than those designated as trading securities or those accounted for using the equity method are excluded from the (deficiency) excess of revenues over expenses.

Realized gains or losses on sales of investments are determined by the average cost method. Realized gains or losses on unrestricted investments are recorded as nonoperating gains or losses; realized gains or losses on restricted investments are recorded as an addition to or deduction from the appropriate restricted net asset category. For investment securities other than trading, a decline in the market value of the security below its cost that is designated to be other than temporary is recognized through an impairment charge classified as a realized loss and a new cost basis is established.

Investment income from funds held by trustees under bond indenture agreements is recorded as other revenue. The Hospital maintains a spending policy for certain of its board-designated funds which provides that investment income from such funds is recorded within unrestricted revenues as endowment earnings contributed toward community benefit.

Income from permanently restricted investments is recorded within nonoperating gains when unrestricted by donor and as an addition to the net assets of the appropriate temporarily restricted fund when restricted by donor.

(3) Summary of Significant Accounting Policies (continued)

(f) Assets Limited as to Use

Assets limited as to use primarily include designated assets set aside by the Hospital's Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets whose use by the Hospital has been permanently restricted by donors or limited by grantors or donors to a specific purpose, as well as assets held by trustees under bond indenture agreements and irrevocable split-interest trusts. Amounts required to meet current liabilities of the Hospital are reported in current assets in the consolidated statements of financial position.

(g) Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed over the estimated useful life of each class of depreciable asset using the straight-line method. Buildings and improvements lives range from 5 to 40 years and equipment lives range from 3 to 20 years. Net 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.

(h) Deferred Financing Costs

Deferred financing costs, which relate to the issuance of long-term bonds payable to the Rhode Island Health and Educational Building Corporation (RIHEBC), are being amortized ratably over the periods the bonds are outstanding.

(i) Classification of Net Assets

FASB ASC Subtopic 958-250 (ASC 958-250) provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and also requires disclosures about endowment funds, including donor-restricted endowment funds and board-designated endowment funds.

The Hospital is incorporated in and subject to the laws of Rhode Island, which adopted UPMIFA effective as of June 30, 2009. Under UPMIFA, the assets of a donor-restricted endowment fund may be appropriated for expenditure by the Hospital in accordance with the standard of prudence prescribed by UPMIFA. As a result of this new law and the adoption of ASC 958-250, the Hospital has classified its net assets as follows:

- *Permanently restricted net assets* contain donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Hospital and primarily consist of the historic dollar value of contributions to establish or add to donor-restricted endowment funds.

(Continued)

(3) Summary of Significant Accounting Policies (continued)

- *Temporarily restricted net assets* contain grantor or donor-imposed stipulations as to the timing of their availability or use for a particular purpose, including research activities. These net assets are released from restrictions when the specified time elapses or when actions have been taken to meet the restrictions. Net assets of donor-restricted endowment funds in excess of their historic dollar value are classified as temporarily restricted net assets until appropriated by the Hospital and spent in accordance with the standard of prudence imposed by UPMIFA.
- *Unrestricted net assets* contain no donor-imposed restrictions and are available for the general operations of the Hospital. Such net assets may be designated by the Hospital for specific purposes, including to function as endowment funds.

See note 5 for more information about the Hospital's endowment.

(j) (Deficiency) Excess of Revenues Over Expenses

The consolidated statements of operations and changes in net assets include (deficiency) excess of revenues over expenses. Changes in unrestricted net assets which are excluded from (deficiency) excess of revenues over expenses, consistent with industry practice, include the change in the funded status of pension and other postretirement plans, the net change in unrealized gains on investments available for sale, net assets released from restrictions used for purchase of property and equipment, the change in interest in net assets of Rhode Island Hospital Foundation, and the change in noncontrolling interest in affiliate.

(k) Net Patient Service Revenue

The Hospital provides care to patients under Medicare, Medicaid, managed care, and commercial insurance contractual arrangements. The Hospital has agreements with many third-party payors that provide for payments to the Hospital at amounts less than its established rates. 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 some third-party payors.

Medicare and Medicaid utilize prospective payment systems for most inpatient hospital services rendered to program beneficiaries based on the classification of each case into a diagnostic-related group (DRG). Outpatient hospital services are primarily paid using an ambulatory payment classification system.

The majority of payments from managed care and commercial insurance companies are based upon negotiated fixed fee arrangements, whereby a combination of per diem rates and specific case rates are utilized for inpatient services, along with fixed fees applicable to outpatient services.

Settlements and adjustments arising under reimbursement arrangements with some third-party payors, primarily Medicare, Medicaid, and Blue Cross, are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are

(3) Summary of Significant Accounting Policies (continued)

determined. The Hospital has classified a portion of accrued estimated third-party payor settlements as long-term because such amounts, by their nature or by virtue of regulation or legislation, will not be paid within one year. Changes in the Medicare and Medicaid programs, such as the reduction of reimbursement, could have an adverse impact on the Hospital.

(l) Provision for Bad Debts

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements. Additions to the allowance for doubtful accounts are made by means of the provision for bad debts. Accounts deemed uncollectible are deducted from the allowance and subsequent recoveries are added. The amount of the provision for bad debts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental health care coverage, and other collection indicators.

(m) 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, they are not reported as net patient service revenue.

(n) Donor-Restricted Gifts

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

(o) Inventories

Inventories, consisting primarily of medical/surgical supplies and pharmaceuticals, are stated at the lower of cost or market.

(p) Estimated Self-Insurance Costs

The Hospital participates in Lifespan self-insurance programs with other Lifespan affiliates for losses arising from professional liability/medical malpractice and general liability claims, health benefits to its employees, and losses arising from workers' compensation claims. The Hospital has recorded provisions for estimated claims, which are based on the Hospital's own experience. The provisions for self-insured losses include estimates of the ultimate costs for both reported claims and claims incurred but not reported.

(3) Summary of Significant Accounting Policies (continued)

(q) Fair Value of Financial Instruments

The carrying amounts recorded in the consolidated statements of financial position for cash and cash equivalents, patient accounts receivable, assets limited as to use, accounts payable, accrued expenses, estimated third-party payor settlements, and estimated health care benefit self-insurance costs approximate their respective fair values. The estimated fair values of the Hospital's assets limited as to use and long-term debt are disclosed in notes 5, 8 and 11, respectively.

(r) Reclassifications

Certain 2010 amounts have been reclassified to conform with the 2011 reporting format.

(4) Disproportionate Share

The Hospital is a participant in the State of Rhode Island's Disproportionate Share Program, established in 1995 to assist hospitals which provide a disproportionate amount of uncompensated care. Under the program, Rhode Island hospitals, including the Hospital, receive federal and state Medicaid funds as additional reimbursement for treating a disproportionate share of low income patients. Total payments to the Hospital under the Disproportionate Share Program aggregated $50,268 and $47,896 in 2011 and 2010, respectively, and are reflected as part of net patient service revenue in the accompanying consolidated statements of operations and changes in net assets.

In 2011 and 2010, the State of Rhode Island has assessed a license fee to all Rhode Island hospitals, based on each hospital's 2009 and 2008 net patient service revenue, respectively, as defined. The Hospital's license fee expense was $44,926 in 2011 and $41,233 in 2010. The hospitals in the State of Rhode Island accepted the fee as part of an agreement with the State's Department of Health and Human Services in return for an equitable distribution of funds to those hospitals meeting certain criteria in providing services to the Medicaid population.

For periods beyond 2011, the federal government could change the level of federal matching funds for the Disproportionate Share Program. Accordingly, it may be necessary for the State of Rhode Island to modify the program and the reimbursement to Rhode Island hospitals under the program. At this time, the scope of such modifications or their effect on the Hospital cannot be reasonably determined.

(In thousands)

(5) Investments

The composition of assets limited as to use at September 30, 2011 and 2010 is set forth in the following table:

	2011	2010
Unrestricted board-designated funds	$ 237,144	$ 231,998
Held by trustee under bond indenture agreements	23,604	35,315
Temporarily restricted funds	203,775	205,125
Permanently restricted funds	37,921	38,489
Total	$ 502,444	$ 510,927

Assets limited as to use at September 30 are classified as follows:

	2011	2010
Available-for-sale	$ 370,572	$ 389,710
Trading	131,872	121,217
Total	$ 502,444	$ 510,927

Assets limited as to use are classified as trading securities if the buy/sell decision with respect to each portfolio security is the responsibility of an external investment manager. All other assets limited as to use are classified as available-for-sale securities.

(Continued)

(In thousands)

(5) Investments (continued)

Fair Value

The following table summarizes the Hospital's investments and assets held in trust by major category within the ASC 820-10 fair value hierarchy as of September 30, 2011 and 2010, as well as related strategy and liquidity/notice requirements:

	2011				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
U S equities						
Large cap value	$ 15,993	$ —	$ —	$ 15,993	Daily	One
Mid-cap value	15,442	—	—	15,442	Daily	One
Large cap growth	16,575	—	—	16,575	Daily	One
Marketable alternatives						
Multiple strategies	—	50,841	—	50,841	Quarterly	Sixty-five
Absolute return strategies	—	30,006	—	30,006	Monthly	Five
International equities						
Developed markets	—	52,011	—	52,011	Daily - Monthly	One - Seven
Emerging markets	—	16,780	—	16,780	Monthly	Ten
Commodities						
Energy	9,128	—	—	9,128	Daily	One
Various	—	7,882	—	7,882	Daily	One
Real estate	8,142	—	—	8,142	Daily	Five
Fixed income						
U S Treasuries	14,360	—	—	14,360	Daily	One - Five
U S Treasury inflation-protected	—	23,831	—	23,831	Daily	Two
U S Government and agency	—	9,401	—	9,401	Daily	One
Domestic bonds	38,726	26,693	—	65,419	Daily	One
Global bonds	15,005	32,084	221	47,310	Daily - Illiquid	One - N/A
Cash and short-term investments	21,865	—	—	21,865	Daily	One
	155,236	249,529	221	404,986		
Assets held in trust (note 6)	—	—	11,292	11,292		
Held by trustee under bond indenture agreements (note 11)	23,604	—	—	23,604		
Total	$ 178,840	$ 249,529	$ 11,513	$ 439,882		

(Continued)

(In thousands)

(5) Investments (continued)

	2010				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
U S equities						
Large cap value	$ 15,224	$ —	$ —	$ 15,224	Daily	One
Mid-cap value	15,707	—	—	15,707	Daily	One
Large cap growth	16,583	—	—	16,583	Daily	One
Marketable alternatives						
Multiple strategies	—	52,829	—	52,829	Quarterly	Sixty-five
Absolute return strategies	—	22,680	—	22,680	Monthly	Five
International equities						
Developed markets	—	57,674	—	57,674	Daily - Monthly	One - Seven
Emerging markets	—	16,214	—	16,214	Monthly	Ten
Commodities						
Energy	10,463	—	—	10,463	Daily	One
Various	—	7,577	—	7,577	Daily	One
Real estate	9,004	—	—	9,004	Daily	Five
Fixed income						
U S Treasuries	14,455	—	—	14,455	Daily	One - Five
U S Treasury inflation-protected	—	35,341	—	35,341	Daily	Two
U S Government and agency	—	6,478	—	6,478	Daily	One
Domestic bonds	36,606	18,693	—	55,299	Daily	One
Global bonds	16,023	29,744	236	46,003	Daily - Illiquid	One - N/A
Cash and short-term investments	27,296	—	—	27,296	Daily	One
	161,361	247,230	236	408,827		
Assets held in trust (note 6)	—	—	11,860	11,860		
Held by trustee under bond indenture agreements (note 11)	35,315	—	—	35,315		
Total	$ 196,676	$ 247,230	$ 12,096	$ 456,002		

Trustee-held investments under bond indenture agreements consist of a money market fund invested in U.S. Government obligations.

Investments of less than 5% in collective investment funds which do not have monthly pricing or liquidity are recorded at historical cost. Investments of less than 5% in limited partnerships are also recorded at historical cost. The aggregate historical cost of these investments, which approximates market value as reported by investment managers, amounted to $62,562 at September 30, 2011 and $54,925 at September 30, 2010.

Most investments classified in Levels 2 and 3 consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. Because the NAV reported by each fund is used as a practical expedient to estimate the fair value of the Hospital's interest therein, its classification in Level 2 or 3 is based on the Hospital's ability to redeem its interest at or near the date of the consolidated statement of financial position. If the interest can be redeemed in the near term, the investment is generally classified in Level 2. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

(Continued)

(In thousands)

(5) Investments (continued)

The following table presents the Hospital's activity for the years ended September 30, 2011 and 2010 for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in ASC 820-10:

	2011		
	Global bonds	Assets held in trust	Total
Fair value at October 1, 2010	$ 236	$ 11,860	$ 12,096
Net unrealized losses	(15)	(568)	(583)
Fair value at September 30, 2011	$ 221	$ 11,292	$ 11,513

	2010		
	Global bonds	Assets held in trust	Total
Fair value at October 1, 2009	$ —	$ 11,275	$ 11,275
Transfers in	236	—	236
Net unrealized gains	—	585	585
Fair value at September 30, 2010	$ 236	$ 11,860	$ 12,096

(Continued)

(In thousands)

(5) Investments (continued)

Investment Income, Gains and Losses

Investment income, gains and losses for cash equivalents and assets limited as to use are comprised of the following for the years ended September 30:

	2011	2010
Other revenue:		
Investment income	$ 103	$ 307
Endowment earnings contributed toward community benefit:		
Dividend and interest income	$ 7,998	$ 7,822
Nonoperating gains and losses:		
Net realized (losses) gains on board-designated investments	$ (1,912)	$ 2,073
Other changes in unrestricted net assets:		
Net change in unrealized gains on investments available for sale	$ (566)	$ 9,953
Changes in temporarily restricted net assets:		
Income from restricted endowment and other restricted investments	$ 2,500	$ 2,664
Net realized and unrealized gains on investments	3,549	18,920
	$ 6,049	$ 21,584
Changes in permanently restricted net assets:		
Net change in unrealized gains on investments	$ (568)	$ 585

(Continued)

(In thousands)

(5) Investments (continued)

Liquidity

Investments as of September 30, 2011 and 2010 are summarized below based on when they may be redeemed or sold:

	2011	2010
Investment redemption or sale period:		
Daily	$ 283,866	$ 300,623
Monthly	85,455	82,086
Quarterly	50,841	52,829
One-to-five years	961	1,122
Locked-up until liquidation	18,759	19,342
Total	$ 439,882	$ 456,002

Locked-up until liquidation includes assets held in trust (note 6) and the trustee-held debt service reserve fund under the 2009A bond indenture agreement (note 11).

Commitments

Venture capital, private equity, and certain energy and real estate investments are made through limited partnerships. Under the terms of these agreements, the Hospital is obligated to remit additional funding periodically as capital or liquidity calls are exercised by the manager. These partnerships have a limited existence, generally ten years, and such agreements may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy, and other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The Hospital cannot anticipate such changes because they are based on unforeseen events, but should they occur they may result in less liquidity or return from the investment than originally anticipated. As a result, the timing and amount of future capital or liquidity calls expected to be exercised in any particular future year is uncertain. The aggregate amount of unfunded commitments associated with the above noted investment categories as of September 30, 2011 was $6,209.

(In thousands)

(5) Investments (continued)

Investments with Unrealized Losses

Information regarding investments with unrealized losses at September 30, 2011 and 2010 is presented below, segregated between those that have been in a continuous unrealized loss position for less than twelve months and those that have been in a continuous unrealized loss position for twelve or more months:

	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
September 30, 2011						
Unrestricted board-designated and temporarily restricted funds						
Collective investment funds	$ 38,727	$ 1,455	$ 15,005	$ 927	$ 53,732	$ 2,382
Total temporarily impaired securities	$ 38,727	$ 1,455	$ 15,005	$ 927	$ 53,732	$ 2,382

	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
September 30, 2010						
Unrestricted board-designated and temporarily restricted funds						
Collective investment funds	$ —	$ —	$ 23,618	$ 563	$ 23,618	$ 563
Total temporarily impaired securities	$ —	$ —	$ 23,618	$ 563	$ 23,618	$ 563

In the evaluation of whether an impairment is other than temporary, the Hospital considers the reasons for the impairment, its ability and intent to hold the investment until the market price recovers, the severity and duration of the impairment, and expected future performance. Based on this evaluation, no impairment was considered to be other than temporary.

Endowments

The Hospital's endowment consists of approximately 304 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Hospital to function as endowments. Investments associated with endowment funds, including funds designated by the Hospital to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(In thousands)

Endowments (continued)

Endowment funds consist of the following at September 30, 2011:

	Unrestricted board-designated	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	$ —	$ 203,775	$ 37,921	$ 241,696
Internally board-designated endowment funds	237,144	—	—	237,144
Total endowment funds	$ 237,144	$ 203,775	$ 37,921	$ 478,840

Endowment funds consist of the following at September 30, 2010:

	Unrestricted board-designated	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	$ —	$ 205,125	$ 38,489	$ 243,614
Internally board-designated endowment funds	231,998	—	—	231,998
Total endowment funds	$ 231,998	$ 205,125	$ 38,489	$ 475,612

(Continued)

(In thousands)

Endowments (continued)

Changes in endowment funds for the year ended September 30, 2011 are as follows:

	Unrestricted board-designated	Temporarily restricted	Permanently restricted	Total
Endowment funds, October 1, 2010	$ 231,998	$ 205,125	$ 38,489	$ 475,612
Interest and dividend income	8,032	2,500	—	10,532
Net realized and unrealized (losses) gains	(2,478)	3,549	(568)	503
Cash gifts, grants and bequests	—	61,948	—	61,948
Transfers from Rhode Island Hospital Foundation	—	8,292	—	8,292
Net assets released from restrictions	—	(77,639)	—	(77,639)
Deposits	1,842	—	—	1,842
Withdrawals	(2,250)	—	—	(2,250)
Endowment funds, September 30, 2011	$ 237,144	$ 203,775	$ 37,921	$ 478,840

Changes in endowment funds for the year ended September 30, 2010 are as follows:

	Unrestricted board-designated	Temporarily restricted	Permanently restricted	Total
Endowment funds, October 1, 2009	$ 174,921	$ 189,041	$ 38,114	$ 402,076
Interest and dividend income	7,859	2,664		10,523
Net realized and unrealized gains	12,026	18,920	585	31,531
Cash gifts, grants and bequests	—	65,446	—	65,446
Transfers from Rhode Island Hospital Foundation	—	5,292	—	5,292
Net assets released from restrictions	—	(76,238)	—	(76,238)
Deposits	39,342	—	—	39,342
Withdrawals	(2,150)	—	—	(2,150)
Other decreases	—	—	(210)	(210)
Endowment funds, September 30, 2010	$ 231,998	$ 205,125	$ 38,489	$ 475,612

(Continued)

Endowments (continued)

(a) Interpretation of Relevant Law

The portion of donor-restricted endowment funds that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Hospital and 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
- The investment policies of Lifespan

(b) Return Objectives and Risk Parameters

Lifespan has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets, including both donor-restricted funds and unrestricted board-designated funds. Under this policy, as approved by Lifespan, the endowment assets are invested in a manner that is intended to produce results that exceed the total benchmark return while assuming a moderate level of investment risk. The Hospital expects its endowment funds, over a full market cycle, to provide an average annual real rate of return of approximately 5.0% plus inflation annually. Actual returns in any given year or period of years may vary from this amount.

(c) Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, Lifespan relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Lifespan targets a diversified asset allocation that places emphasis on investments in public equity, marketable alternatives, real assets and fixed income to achieve its long-term return objectives within prudent risk constraints.

(In thousands)

Endowments (continued)

(d) Spending Policy

The Hospital invests its endowment funds in accordance with the total return concept. Applicable endowments include unrestricted board-designated endowment funds and donor-restricted endowment funds. The governing board of the Hospital has approved an endowment spending rate of 4% based on all of the above factors. This spending rate is applied to the trailing twelve-quarter average fair value of the applicable endowments.

(6) Assets Held in Trust

The Hospital is a beneficiary of various irrevocable split-interest trusts. The fair market value of these investments at September 30, 2011 and 2010 was $11,292 and $11,860, respectively, and is reported as permanently restricted funds within assets limited as to use in the consolidated statements of financial position.

(7) Property and Equipment

Property and equipment, by major category, is as follows at September 30:

	2011	2010
Land and improvements	$ 23,748	$ 23,736
Buildings and improvements	666,435	647,316
Equipment	339,830	321,587
	1,030,013	992,639
Less accumulated depreciation and amortization	556,700	524,585
	473,313	468,054
Construction in progress	27,821	26,530
Property and equipment, net	$ 501,134	$ 494,584

Depreciation and amortization expense for the years ended September 30, 2011 and 2010 amounted to $34,682 and $33,727, respectively.

The estimated cost of completion of construction in progress approximated $7,000 at September 30, 2011, comprised mainly of various building renovation projects. In addition, the Hospital has several building renovation projects pending contractual commitments also with an estimated cost of completion of approximately $7,000.

(8) Pension and Other Postretirement Benefits

Voluntary Early Retirement Program (VERP)

On November 23, 2010, Lifespan announced a voluntary early retirement program, which is designed to provide salary and benefits continuation for eligible employees who wish to retire. The Hospital's estimated cost of this program amounting to $10,836 in 2011 is included in compensation and benefits in the consolidated statement of operations and changes in net assets. The liability related to the VERP was approximately $3,129 at September 30, 2011 and is included in accrued employee benefits and compensation in the consolidated statement of financial position.

Pension Benefits

Lifespan Corp. sponsors the Lifespan Corporation Retirement Plan (the Plan), which was established effective January 1, 1996 when the Rhode Island Hospital Retirement Plan (the RIH Plan) merged into The Miriam Hospital Retirement Plan. Upon completion of the merger, the new plan was renamed and is governed by provisions of the Lifespan Corporation Retirement Plan. Each employee who was a participant in the RIH Plan and was an eligible employee on January 1, 1996 continues to be a participant on and after January 1, 1996, subject to the provisions of the Plan. Employees are included in the Plan on the first of the month which is the later of their first anniversary of employment or the attainment of age 18.

The Plan is intended to constitute a plan described in Section 414(k) of the Internal Revenue Code, under which benefits are derived from employer contributions based on the separate account balances of participants in addition to the defined benefits provided under the Plan, which are based on an employee's years of credited service and annual compensation. Lifespan's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code as amended, plus such additional amounts as may be determined to be appropriate by Lifespan. Lifespan may also make certain discretionary matching contributions to participant account balances included in Plan assets based on salary deferral elections of participants. Matching contributions of $8,235 and $8,198 were made in 2011 and 2010, respectively.

Substantially all employees of Lifespan Corporation who meet the above requirements are eligible to participate in the Plan.

The provisions of ASC 715 require an employer to recognize in its statement of financial position an asset for a benefit plan's overfunded status or a liability for a plan's underfunded status, and to recognize changes in that funded status in the year in which the changes occur through changes in unrestricted net assets. The funded-status amount is measured as the difference between the fair value of plan assets and the projected benefit obligation including all actuarial gains and losses and prior service cost. Due to changes in the timing and amount of contributions, combined with the results of an actuarial assumption experience study, Lifespan elected to remeasure the assets and benefit obligations of the Plan as of March 31, 2011. Based on March 31, 2011 and September 30, 2011 funded-status amounts for the Hospital's portion of the Plan, the Hospital recorded a decrease in unrestricted net assets of $7,223.

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

The estimated amounts that will be amortized from unrestricted net assets into net periodic pension cost in 2012 are as follows:

Net actuarial loss	$ 7,288
Prior service cost	165
	$ 7,453

The following tables set forth the Plan's projected benefit obligation and the fair value of plan assets.

	2011	2010
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 528,319	$ 452,976
Service cost	26,395	26,012
Interest cost	28,785	27,178
Plan amendments	(7,092)	157
Actuarial (gain) loss	(3,656)	42,355
Benefits paid	(33,849)	(19,262)
Administrative expenses	(1,238)	(1,097)
Projected benefit obligation at end of year	$ 537,664	$ 528,319

The accumulated benefit obligation at the end of 2011 and 2010 was $473,368 and $455,687, respectively.

	2011	2010
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 338,026	$ 307,775
Actual return on plan assets	2,643	26,807
Employer contributions	48,043	23,803
Benefits paid	(33,849)	(19,262)
Administrative expenses	(1,238)	(1,097)
Fair value of plan assets at end of year	$ 353,625	$ 338,026

(Continued)

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

The funded status of the Plan and amounts recognized in Lifespan's consolidated statements of financial position at September 30, pursuant to ASC Topic 715 (as opposed to ERISA), are as follows:

	2011	2010
Funded status, end of year:		
Fair value of plan assets	$ 353,625	$ 338,026
Projected benefit obligation	537,664	528,319
	$ (184,039)	$ (190,293)

Amounts recognized in the Hospital's consolidated statements of financial position at September 30, 2011 and 2010 are as follows:

	2011	2010
Accrued pension liability	$ 124,624	$ 125,337

	2011	2010
Amounts not yet reflected in net periodic pension cost and included in unrestricted net assets:		
Prior service benefit (cost)	$ 5,547	$ (1,834)
Accumulated net actuarial loss	(148,488)	(136,545)
Amounts not yet recognized as a component of net periodic pension cost	(142,941)	(138,379)
Accumulated net periodic pension cost in excess of employer contributions	(41,098)	(51,914)
Net amount recognized	$ (184,039)	$ (190,293)

(Continued)

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

	2011	2010
Sources of change in unrestricted net assets:		
Net loss arising during the year	$ (13,139)	$ (24,248)
New prior service cost	(23)	(15)
Amortizations:		
Net actuarial loss	5,775	4,371
Prior service cost	164	672
Total unrestricted net asset loss recognized during the year	$ (7,223)	$ (19,220)

Net Periodic Pension Cost

Components of net periodic pension cost are as follows for the years ended September 30:

	2011	2010
Service cost	$ 26,395	$ 26,012
Interest cost	28,785	27,178
Expected return on plan assets	(26,791)	(23,331)
Amortization of net actuarial loss	8,549	7,940
Amortization of prior service cost	288	801
Net periodic pension cost for Lifespan	$ 37,226	$ 38,600
Net periodic pension cost for the Hospital	$ 23,120	$ 22,628

In 2011, Lifespan modified its discretionary matching contribution to participant account balances, reducing the Hospital's net periodic pension cost by $1,577.

The following weighted average assumptions were used by the Plan's actuary to determine net periodic pension cost and benefit obligations:

	2011	2010
Discount rate for benefit obligations	4.70%	4.98%
Discount rate for net periodic pension cost	5.25	5.74
Rate of compensation increase	4.50	4.50
Expected long-term rate of return on Plan assets	7.75	7.75

(Continued)

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

The asset allocation for the Plan at September 30, 2011 and 2010, and the target allocation for 2012, by asset category, are as follows:

Asset category	Target allocation 2012	Percentage of plan assets September 30 2011	2010
U.S. equities	15 - 35%	11.6%	11.8%
Marketable alternatives	0 - 25%	13.7	14.3
International equities	10 - 35%	13.2	15.0
Venture capital	0 - 10%	1.4	1.5
Commodities	0 - 20%	7.8	8.2
Real estate	0 - 15%	2.3	2.7
Fixed income	10 - 50%	43.2	45.4
Cash and cash equivalents	0 - 10%	6.8	1.1
Total		100.0%	100.0%

The above table does not include $77,173 and $75,626 of Plan assets at September 30, 2011 and 2010, respectively, attributable to the separate savings account balances of participants which are managed in various mutual funds by Fidelity Investments (Fidelity).

The overall financial objective of the Plan is to meet present and future obligations to beneficiaries, while minimizing long-term contributions to the Plan (by earning an adequate, risk adjusted return on Plan assets), with moderate volatility in year-to-year contribution levels.

The primary investment objective of the Plan is to attain the expected long-term rate of return on Plan assets in support of the above objective. The Plan's specific investment objective is to attain an average annual real total return (net of investment management fees) of at least 4.75% over the long term (rolling five-year periods). Real total return is the sum of capital appreciation (or loss) and current income (dividends and interest) adjusted for inflation by the Consumer Price Index.

Lifespan employs a rigorous process to annually determine the expected long-term rate of return on Plan assets which is only changed based on significant shifts in economic and financial market conditions. These estimates are primarily driven by actual historical asset-class returns along with our long-term outlook for a globally diversified portfolio. Asset allocations are regularly updated based on evaluations of future market returns for each asset class.

(Continued)

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

Fair Value

The following table summarizes the Plan's investments by major category within the ASC 820-10 fair value hierarchy as of September 30, 2011 and 2010, as well as related strategy and liquidity/notice requirements:

	2011				Redemption	Days'
	Level 1	Level 2	Level 3	Total	or liquidation	notice
U S equities						
Large cap value	$ 11,734	$ —	$ —	$ 11,734	Daily	One
Mid-cap value	7,906	—	—	7,906	Daily	One
Large cap growth	11,602	—	—	11,602	Daily	One
Marketable alternatives						
Multiple strategies	—	21,921	7,785	29,706	Quarterly - Illiquid	Sixty - Ninety-five
Absolute return strategies	—	8,398	—	8,398	Monthly	Five
International equities						
Developed markets	—	25,395	—	25,395	Daily - Monthly	One - Seven
Emerging markets	—	11,294	—	11,294	Monthly	Ten
Venture capital	—	—	10,004	10,004	Illiquid	N/A
Commodities						
Energy	—	5,882	—	5,882	Daily	One
Various	—	11,628	—	11,628	Daily	One
Real estate	3,254	—	—	3,254	Daily	One
Fixed income						
U S Treasuries	7,526	—	—	7,526	Daily	One
U S Treasury inflation-protected	—	13,217	—	13,217	Daily	Two
U S Government and agency	—	10,053	—	10,053	Daily	One
Domestic bonds	21,197	39,039	—	60,236	Daily	One
Global bonds	—	28,269	—	28,269	Monthly	Fifteen
Cash and cash equivalents	20,348	—	—	20,348	Daily	One
Fidelity mutual funds	77,173	—	—	77,173	Daily	One
Total	$ 160,740	$ 175,096	$ 17,789	$ 353,625		

(Continued)

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

	2010				Redemption	Days'
	Level 1	Level 2	Level 3	Total	or liquidation	notice
U S equities						
Large cap value	$ 10,897	$ —	$ —	$ 10,897	Daily	One
Mid-cap value	7,874	—	—	7,874	Daily	One
Large cap growth	11,163	—	—	11,163	Daily	One
Marketable alternatives						
Multiple strategies	—	26,408	4,062	30,470	Quarterly - Illiquid	Sixty - Ninety
Absolute return strategies	—	7,063	—	7,063	Monthly	Five
International equities						
Developed markets	—	27,619	—	27,619	Daily - Monthly	One - Seven
Emerging markets	—	11,700	—	11,700	Monthly	Ten
Venture capital	—	—	11,480	11,480	Illiquid	N/A
Commodities						
Energy	—	6,617	—	6,617	Daily	One
Various	—	10,906	—	10,906	Daily	One
Real estate	3,432	—	—	3,432	Daily	One
Fixed income						
U S Treasuries	10,259	—	—	10,259	Daily	One
U S Treasury inflation-protected	—	14,000	—	14,000	Daily	Two
U S Government and agency	—	9,554	—	9,554	Daily	One
Domestic bonds	20,833	36,099	—	56,932	Daily	One
Global bonds	—	27,048	—	27,048	Monthly	Fifteen
Cash and cash equivalents	5,386	—	—	5,386	Daily	One
Fidelity mutual funds	75,626	—	—	75,626	Daily	One
Total	$ 145,470	$ 177,014	$ 15,542	$ 338,026		

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 investments for the years ended September 30, 2011 and 2010:

	Venture capital	Marketable alternatives	2011 Total
Fair value at October 1, 2010	$ 11,480	$ 4,062	$ 15,542
Transfers in	—	11,037	11,037
Transfers out	—	(7,008)	(7,008)
Purchases	315	—	315
Sales	(2,823)	—	(2,823)
Realized gains, net	1,356	—	1,356
Unrealized losses, net	(324)	(306)	(630)
Fair value at September 30, 2011	$ 10,004	$ 7,785	$ 17,789

(Continued)

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

	Venture capital	Marketable alternatives	2010 Total
Fair value at October 1, 2009	$ 12,509	$ 7,846	$ 20,355
Transfers out	—	(7,846)	(7,846)
Purchases	472	4,050	4,522
Sales	(2,055)	—	(2,055)
Realized gains, net	1,148	—	1,148
Unrealized (losses) gains, net	(594)	12	(582)
Fair value at September 30, 2010	$ 11,480	$ 4,062	$ 15,542

Expected Cash Flows

Information about the expected cash flows for the Plan is as follows:

Employer contributions:	
2012 (expected for Lifespan)	$ 38,694
2012 (expected for the Hospital)	23,623
Expected benefit payments:	
2012	$ 27,739
2013	25,826
2014	24,607
2015	26,287
2016	28,263
2017 through 2021	178,225

Management evaluates its Plan assumptions annually and the expected employer contributions in 2012 could increase.

Other Postretirement Benefits

In addition to providing pension benefits, the Hospital provides certain health care and life insurance benefits to retired employees. As of December 31, 2003, health care and life insurance postretirement benefits were eliminated for all active employees of the Hospital with fewer than fifteen years of consecutive service. The Hospital's postretirement plan is not expected to be materially affected by health care reform legislation.

The Hospital recognizes in its consolidated statements of financial position an asset for a benefit plan's overfunded status or a liability for a plan's underfunded status, and recognizes changes in that funded status in the year in which the changes occur through changes in unrestricted net assets. The funded-status

(Continued)

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

amount is measured as the difference between the fair value of plan assets and the benefit obligation including all actuarial gains and losses and prior service cost. Based on September 30, 2011 funded-status amounts for the Hospital's postretirement benefit plan, the Hospital recorded a decrease in unrestricted net assets of $3,014.

The estimated amount that will be amortized from unrestricted net assets into net periodic postretirement benefit cost in 2012 is as follows:

Net actuarial loss	$ 407

Benefit Obligations

	2011	2010
Change in accumulated postretirement benefit obligation:		
Accumulated postretirement benefit obligation at beginning of year	$ 22,320	$ 21,916
Service cost	426	410
Interest cost	1,077	1,220
Benefits paid	(1,072)	(1,311)
Actuarial loss	2,603	85
Accumulated postretirement benefit obligation at end of year	$ 25,354	$ 22,320

Funded Status

The Hospital has never funded its other postretirement benefit obligations. The funded status of the postretirement benefit plan, reconciled to the amount reported in the consolidated statements of financial position, follows:

	2011	2010
Benefit obligations	$ 25,354	$ 22,320
Funded status	$ (25,354)	$ (22,320)
Accrued postretirement benefit cost recognized in the consolidated statements of financial position	$ 25,354	$ 22,320

(Continued)

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

Amounts recognized in the consolidated statements of financial position at September 30, 2011 and 2010 consist of:

	2011	2010
Accrued postretirement benefit cost:		
Current (included in accrued employee benefits and compensation)	$ 2,033	$ 1,425
Noncurrent (included in other liabilities)	23,321	20,895
Total accrued postretirement benefit cost	$ 25,354	$ 22,320

	2011	2010
Amounts not yet reflected in net periodic postretirement benefit cost and included in unrestricted net assets:		
Prior service benefit	$ —	$ 639
Accumulated net actuarial loss	(6,200)	(3,768)
Amounts not yet recognized as a component of net periodic postretirement benefit cost	(6,200)	(3,129)
Accumulated net periodic postretirement benefit cost	(19,154)	(19,191)
Net amount recognized	$ (25,354)	$ (22,320)

	2011	2010
Sources of change in unrestricted net assets:		
Net loss arising during the year	$ (2,546)	$ (122)
Amortizations:		
Net actuarial loss	171	174
Prior service benefit	(639)	(849)
Total unrestricted net asset loss recognized during the year	$ (3,014)	$ (797)

(Continued)

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

Net Periodic Postretirement Benefit Cost

Components of net periodic postretirement benefit cost are as follows for the years ended September 30:

	2011	2010
Service cost	$ 426	$ 410
Interest cost	1,077	1,220
Amortization of prior service benefit	(639)	(849)
Amortization of net actuarial loss	171	174
Net periodic postretirement benefit cost	$ 1,035	$ 955

The following weighted average assumptions were used by the plan's actuary to determine net periodic postretirement benefit cost and benefit obligations:

	2011	2010
Discount rate for benefit obligations	4.70%	4.98%
Discount rate for net periodic postretirement benefit cost	4.98	5.74

Assumed Health Care Cost Trend Rates at September 30:

	2011	2010
Health care cost trend rate assumed for next year	8.13%	8.03%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.5%	4%
Year that the rate reaches the ultimate trend rate	2030	2029

Assumed health care cost trend rates have a significant effect on the amounts reported. A one-percentage-point change in assumed health care cost trend rates would have the following effects as of September 30, 2011:

	One-Percentage-Point Increase	One-Percentage-Point Decrease
Effect on total of service cost and interest cost	$ 111	$ (100)
Effect on accumulated postretirement benefit obligation	1,479	(1,353)

(Continued)

(In thousands)

(8) Pension and Other Postretirement Benefits (continued)

Expected Cash Flows

Information about the expected cash flows for the postretirement benefit plan follows:

Expected benefit payments:		
2012	$	2,033
2013		2,070
2014		2,064
2015		2,147
2016		2,167
2017 through 2021		11,600

(9) Patient Service Revenue and Related Reimbursement

A major portion of the Hospital's revenue is received from third-party payors. The following is an approximate percentage breakdown of gross patient service revenue by payor type for the years ended September 30:

	2011	2010
Medicare and Senior Care	37%	36%
Blue Cross	18	19
Medicaid and RIte Care	18	19
Managed care	12	12
Commercial, self-pay, and other	15	14
	100%	100%

The Hospital grants credit to patients, most of whom are local residents. The Hospital generally does not require collateral or other security in extending credit to patients; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies (e.g., Medicare, Medicaid, Blue Cross, managed care, and commercial insurance policies).

Cost reports filed annually with third-party payors are subject to audit prior to final settlement. The 2011 Medicare cost report has not been filed and, therefore, is not settled. The Centers for Medicare and Medicaid Services has placed a temporary moratorium on final settlement of Medicare cost reports from 2007 forward. The State of Rhode Island Medicaid Program no longer requires year-end retrospective settlements, effective for periods beginning October 1, 2009 for outpatient services and July 1, 2010 for inpatient services. The Medicare cost reports for 2007 through 2010 and the Medicaid cost reports for 2005 through 2010 have not been settled.

Regulations in effect require annual settlements based upon cost reports filed by the Hospital. These settlements are estimated and recorded in the accompanying consolidated financial statements. Changes in these estimates are reflected in the consolidated financial statements in the year in which they occur.

(9) Patient Service Revenue and Related Reimbursement (continued)

Net patient service revenue in the accompanying consolidated statements of operations and changes in net assets was increased by $16,500 and $7,852 in 2011 and 2010, respectively, to reflect changes in the estimated settlements for certain prior years.

Revenues from Medicare and Medicaid programs accounted for approximately 37% and 18%, respectively, of the Hospital's gross patient service revenue for the year ended September 30, 2011. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations. In 2011, the Hospital reached a settlement with respect to a recent investigation by the United States Department of Justice and the United States Department of Health and Human Services, Office of the Inspector General, dealing with the medical necessity of a limited number of Medicare inpatient claims. Compliance with laws and regulations can be subject to future government review and interpretation as well as significant regulatory action; failure to comply with such laws and regulations can result in fines, penalties and exclusion from Medicare and Medicaid programs.

(10) Income Tax Status

The Hospital and its affiliates are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from Federal income taxes pursuant to Section 501(a) of the Code.

(Continued)

(In thousands)

(11) Long-Term Debt

Long-term debt consists of the following at September 30:

	2011	2010
Hospital Financing Revenue fixed rate serial and term bonds due May 15, 2012 through 2032 in annual amounts ranging from $7,215 to $15,020 at rates ranging from 4% to 5% (2006A Series – Lifespan Obligated Group)	$ 140,687	$ 146,174
Hospital Financing Revenue fixed rate serial and term bonds due May 15, 2027 through 2039 in annual amounts ranging from $1,870 to $7,900 at rates ranging from 6.125% to 7% (2009A Series – Lifespan Obligated Group)	72,441	72,441
Hospital Financing Revenue fixed rate serial and term bonds due May 15, 2012 through 2026 in annual amounts ranging from $690 to $14,705 at rates ranging from 5.25% to 5.75% (1996 Series – Lifespan Obligated Group)	43,977	44,517
Hospital Financing Revenue fixed rate serial and term bonds due August 15, 2012 at 6.375% (2002 Series – Lifespan Obligated Group)	1,196	2,321
Unamortized premium – 2006A Series	4,499	5,019
Unamortized premium – 2009A Series	118	122
Unamortized discount – 1996 and 2002 Series	(5)	(15)
	262,913	270,579
Less current portion	7,523	7,152
Long-term debt, excluding current portion	$ 255,390	$ 263,427

The estimated fair value of the Hospital's long-term debt at September 30, 2011 and 2010 approximates $275,000 and $274,000, respectively, and is estimated using discounted cash flow analyses, based on the Hospital's current incremental borrowing rates for similar types of borrowing arrangements.

On July 8, 2008, the Board of Directors of Lifespan Corporation, acting as the sole corporate member of Emma Pendleton Bradley Hospital (EPBH), adopted a resolution authorizing EPBH to become a member of the Lifespan Obligated Group. The EPBH Board of Trustees, as well as the Boards of the Hospital and TMH, also authorized related resolutions.

(Continued)

(In thousands)

(11) Long-Term Debt (continued)

On March 30, 2009, Rhode Island Health and Educational Building Corporation (RIHEBC) issued, on behalf of the Lifespan Obligated Group, which consists of the Hospital, TMH, EPBH, Rhode Island Hospital Foundation (RIHF) and The Miriam Hospital Foundation (TMHF), $114,985 of tax-exempt bonds (the 2009A Bonds) for the purposes of financing the acquisition, construction, renovation, expansion and equipping of certain hospital and related health care facilities owned and operated by the Hospital, TMH and EPBH (the Obligated Group Hospitals), including the expansion, construction, renovation, equipping and furnishing of a two-story addition to EPBH's existing building and the renovation of vacated space in the existing building.

The above outstanding 2009 Hospital Financing Revenue Bonds (Lifespan Obligated Group – the Hospital, TMH, EPBH, RIHF and TMHF) are secured by a pledge of the gross receipts of the Obligated Group Hospitals and by mortgage liens on the Hospital's and TMH's real property and all buildings, structures and improvements thereon. The Obligated Group Hospitals, RIHF and TMHF are jointly and severally liable for repayment of the 2009A Bonds, recorded directly by the Obligated Group Hospitals as follows:

The Hospital	$ 72,441
TMH	19,547
EPBH	22,997
Total	$ 114,985

Payment of the principal amount of and interest on $64,825 of the 2009A Bonds when due is guaranteed by a financial guaranty insurance policy issued by Assured Guaranty Corp.

On February 14, 2006, RIHEBC issued, on behalf of the Lifespan Obligated Group, which consisted of the Hospital and TMH, $192,135 of tax-exempt bonds (the 2006A Bonds) for the purpose of refunding $123,405 and $65,315 of the Lifespan Obligated Group's 1996 Bonds and 2002 Bonds, respectively. The advance refundings were allocated as follows:

	1996 Bonds	2002 Bonds
The Hospital	$ 101,809	$ 48,986
TMH	21,596	16,329
Total	$ 123,405	$ 65,315

On September 12, 2006, the Board of Directors of Lifespan Corporation, acting as the sole corporate member of each of The Miriam Hospital Foundation and Rhode Island Hospital Foundation (the Foundations), adopted resolutions authorizing the Foundations to become members of the Lifespan Obligated Group. The Boards of Trustees of each of the Foundations, as well as the then existing members of the Lifespan Obligated Group, the Hospital and TMH, previously authorized related resolutions. The effective date for such change was October 1, 2006.

(Continued)

(11) Long-Term Debt (continued)

The above outstanding 2006 Hospital Financing Revenue Bonds (Lifespan Obligated Group – the Hospital, TMH, EPBH and the Foundations) are secured by a pledge of the gross receipts of the Hospital and TMH and by mortgage liens on the Hospital's and TMH's real property and all buildings, structures and improvements thereon. The Obligated Group Hospitals and the Foundations are jointly and severally liable for repayment of the 2006A Bonds, $140,687 and $35,613 of which has been recorded directly by the Hospital and TMH, respectively. Payment of the principal and interest on the 2006A Bonds when due is guaranteed by a financial guaranty insurance policy issued by Assured Guaranty Corp.

On July 9, 2002, RIHEBC issued, on behalf of the Lifespan Obligated Group, $78,000 of tax-exempt bonds (the 2002 Bonds) to finance routine capital expenditures of the Hospital and TMH, renovations of the RIH emergency department and construction and equipping of a cancer center on the campus of RIH.

The above outstanding 2002 Hospital Financing Revenue Bonds (Lifespan Obligated Group – the Hospital, TMH, EPBH and the Foundations) are secured by mortgage liens on the Hospital's and TMH's real property and all buildings, structures and improvements thereon. The Obligated Group Hospitals and the Foundations are jointly and severally liable for repayment of the 2002 Bonds, $1,196 and $399 of which has been recorded directly by the Hospital and TMH, respectively.

On December 1, 1996, RIHEBC issued, on behalf of the Lifespan Obligated Group, $214,585 of tax-exempt bonds (the 1996 Bonds), to finance portions of Lifespan's, the Hospital's and TMH's 1996, 1997, 1998 and 1999 expenditures for routine capital equipment and facility renovation/replacement, and to advance refund $8,455 of TMH 1989 Series A bonds, $1,900 of TMH 1992 Series A bonds and $10,065 of TMH 1992 Series B bonds.

The above outstanding 1996 Hospital Financing Revenue Bonds (Lifespan Obligated Group – the Hospital, TMH, EPBH and the Foundations) are secured by a pledge of the gross receipts of the Hospital and TMH. The Obligated Group Hospitals and the Foundations are jointly and severally liable for repayment of the 1996 Bonds, $43,977 and $9,328 of which has been recorded directly by the Hospital and TMH, respectively. Payment of the principal and interest on the 1996 Bonds when due is guaranteed by a financial guaranty insurance policy issued by National Public Finance Guarantee Corp.

Under the terms of the 2009A, 2006A, 2002 and 1996 Bonds, the Obligated Group Hospitals are required to satisfy certain measures of financial performance as long as the bonds are outstanding. At September 30, 2011, management believes the Obligated Group Hospitals were in compliance with all covenants of the bonds.

The Hospital's aggregate maturities of long-term debt for the five fiscal years ending in September 2016 are as follows: 2012, $7,523; 2013, $7,987; 2014, $8,396; 2015, $8,816; and 2016, $9,252.

(Continued)

(In thousands)

(11) Long-Term Debt (continued)

Agreements underlying the various Hospital Financing Revenue Bonds require that the Obligated Group Hospitals maintain certain trustee-held funds, included with assets limited as to use in the consolidated statements of financial position, as follows:

Project Fund – The Obligated Group Hospitals are required to apply monies in the Project Fund to pay the costs of debt issuance, facility renovation/replacement, and routine capital equipment.

Bond Funds – The Obligated Group Hospitals are required to make periodic deposits to the trustee sufficient to provide sinking funds for the payment of principal and interest to bondholders when due.

Debt Service Reserve Funds – The Obligated Group Hospitals are required to apply monies in the Debt Service Reserve Funds to remedy deficiencies in the Bond Funds, if any.

The Hospital's trustee-held funds at September 30 are summarized as follows:

	2011	2010
Project Fund – 2009A Series	$ 15,396	$ 26,947
Bond Funds	730	890
Debt Service Reserve Fund – 2009A Series	7,246	7,246
Debt Service Reserve Fund – 2002 Series	232	232
Total	$ 23,604	$ 35,315

(12) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at September 30 are available for the following purposes:

	2011	2010
General health care service activities	$ 163,492	$ 165,079
Research	43,867	41,877
Interest in net assets of Rhode Island Hospital Foundation	11,069	14,287
Total	$ 218,428	$ 221,243

(Continued)

(In thousands)

(12) Temporarily and Permanently Restricted Net Assets (continued)

Permanently restricted net assets at September 30 are restricted to:

	2011	2010
General health care service activities	$ 33,456	$ 34,024
Research	4,461	4,461
Interest in net assets of Rhode Island Hospital Foundation	33,933	28,944
Total	$ 71,850	$ 67,429

Income from permanently restricted investments is expendable to support donor-designated purposes.

Permanently restricted net assets increased by $4,421 and $10,415 in the years ended September 30, 2011 and 2010, respectively, primarily due to gifts in the amounts of $4,675 and $9,655, respectively, received from the Frederick Henry Prince Trust. The income on this endowment is being used to support the Hospital's Neurosciences Institute.

(13) Leases

The Hospital leases building space and equipment under various noncancelable operating lease agreements. Future minimum lease payments, by year and in the aggregate, under noncancelable operating leases with terms of one year or more consist of the following at September 30, 2011:

	Amount
Year ending September 30:	
2012	$ 6,087
2013	5,088
2014	3,523
2015	1,711
2016	805
Thereafter	95
Total minimum lease payments	$ 17,309

Rental expense, including rentals under leases with terms of less than one year, for the years ended September 30, 2011 and 2010 was $9,695 and $9,391, respectively.

(14) Concentrations of Credit Risk

Financial instruments which potentially subject the Hospital to concentrations of credit risk consist primarily of accounts receivable and certain investments. The risk associated with temporary cash investments is mitigated by the fact that the investments are placed with what management believes are high credit quality financial institutions. Investments, which include government and agency obligations, stocks, and corporate bonds, are not concentrated in any corporation or industry.

(Continued)

(14) Concentrations of Credit Risk (continued)

The Hospital receives a significant portion of its payments for services rendered from a limited number of government and commercial third-party payors, including Medicare, Blue Cross, Medicaid, and various managed care entities. The Hospital has not historically incurred any significant concentrated credit losses in the normal course of business.

(15) Malpractice and Other Litigation

Professional Liability/Medical Malpractice and General Liability

Professional liability/medical malpractice coverage for the Hospital is supplied on a claims-made basis by Rhode Island Sound Enterprises Insurance Co. Ltd. (RISE), Lifespan's affiliated captive insurance company, which underwrites the medical malpractice risk of the Hospital (including the Hospital's contractual commitment to indemnify certain eligible nonemployed physicians). The adequacy of the coverage provided and the funding levels are reviewed annually by independent actuaries and consultants. The professional liability/medical malpractice insurance provided by RISE has liability limits of $4,000 per claim with no annual aggregate. RISE provides a second layer of coverage which has limits of an additional $2,000 per claim with a $2,000 annual aggregate. In addition, commercial umbrella excess insurance has been obtained by Lifespan to increase the professional liability limits to $32,000 per claim. Also covered under the Hospital's professional liability/medical malpractice policy are 560 nonemployed physicians. Each of these physicians is provided with a $2,000 indemnification per claim and a $6,000 annual indemnification aggregate.

The Hospital or its indemnified physicians have been named as defendants in a number of pending actions seeking damages for alleged medical malpractice liability. In the opinion of management, any liability and legal defense costs resulting from these actions will be within the limits of the Hospital's malpractice insurance coverage provided by RISE and/or commercial excess carriers.

General liability coverage is provided to the Hospital by RISE amounting to $4,000 per claim and $4,000 in the annual aggregate. Commercial excess liability insurance has been obtained by Lifespan which provides aggregate general liability coverage of $80,000.

Workers' Compensation

The Hospital has incurred a number of workers' compensation claims and, in the opinion of management, the liability of the Hospital will be within the limits of the assets of Lifespan's workers' compensation self-insurance trust fund.

Other Litigation

Effective September 30, 2011, Lifespan and Tufts Medical Center, Inc. (NEMC) agreed upon the satisfaction in full of a court judgment against Lifespan which had resulted in a net award to NEMC of $9,208. The Hospital's share of this settlement, amounting to $6,480, was reflected as a non-operating loss in 2011 and was paid to NEMC on October 3, 2011. The Hospital recorded an additional $1,879 non-operating loss in 2011 resulting from the write-off of the Hospital's share of Lifespan's notes receivable from NEMC, which had originated upon the exit of NEMC from the Lifespan system in 2002.

(Continued)

(In thousands)

(15) Malpractice and Other Litigation (continued)

The Hospital is also involved in a number of miscellaneous suits and general liability suits arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Hospital's future financial position or results from operations.

(16) Related-Party Transactions

The Hospital rents space and provides laundry and linen services to affiliates. Included in the Hospital's other revenue in the consolidated statements of operations and changes in net assets are the following amounts resulting from transactions with affiliates for the years ended September 30:

	2011	2010
Rental income	$ 2,946	$ 3,439
Services rendered – laundry and linen	1,667	1,597
Total	$ 4,613	$ 5,036

The Hospital was charged a management fee by Lifespan of $82,633 and $73,587 in 2011 and 2010, respectively. Lifespan provides information services, human resources, financial, and various other support services to the Hospital.

Included in other receivables and other accrued expenses in the consolidated statements of financial position are the following amounts due from (to) certain related entities at September 30:

	2011	2010
Other receivables:		
Lifespan	$ —	$ 2,533
TMH	1,229	—
Newport Hospital	66	—
EPBH	34	54
Rhode Island Hospital Foundation	5	(2)
Total	$ 1,334	$ 2,585
Other accrued expenses:		
Lifespan	$ (7,291)	$ —
TMH	—	(100)
Newport Hospital	—	(386)
Total	$ (7,291)	$ (486)

(Continued)

(In thousands)

(16) Related-Party Transactions (continued)

During the years ended September 30, 2011 and 2010, the Hospital received temporarily restricted net asset transfers from Rhode Island Hospital Foundation (the Foundation) amounting to $8,292 and $5,292, respectively.

The Foundation, whose sole corporate member is Lifespan Corporation, was established to engage in philanthropic activities to support the mission and purposes of Lifespan and the Hospital. Funds are distributed to the Hospital upon collection for use in conformity with purpose restrictions stipulated by donors, or as determined by the Boards of Trustees of the Hospital and the Foundation. A summary of the Foundation's assets, liabilities, net assets, deficiency of revenues over expenses, and changes in net assets follows. The Hospital's interest in the net assets of the Foundation is reported as a noncurrent asset in the consolidated statements of financial position.

	2011	2010
Assets, principally assets limited as to use	$ 52,070	$ 51,075
Liabilities	$ 226	$ 318
Unrestricted net assets	6,842	7,526
Temporarily restricted net assets	11,069	14,287
Permanently restricted net assets	33,933	28,944
Total liabilities and net assets	$ 52,070	$ 51,075
Total unrestricted revenues, gains and other support	$ 3,094	$ 3,110
Total expenses	4,024	4,475
Deficiency of revenues over expenses	(930)	(1,365)
Other increases in unrestricted net assets	246	509
Unrestricted net assets, beginning of year	7,526	8,382
Unrestricted net assets, end of year	$ 6,842	$ 7,526
Decrease in temporarily restricted net assets	$ (3,218)	$ (769)
Temporarily restricted net assets, beginning of year	14,287	15,056
Temporarily restricted net assets, end of year	$ 11,069	$ 14,287
Increase in permanently restricted net assets	$ 4,989	$ 9,830
Permanently restricted net assets, beginning of year	28,944	19,114
Permanently restricted net assets, end of year	$ 33,933	$ 28,944

(Continued)

(In thousands)

(17) Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows for the years ended September 30:

	2011	2010
Health care services	$ 885,683	$ 824,396
Research	63,889	62,320
General and administrative:		
Depreciation and amortization	34,682	33,727
Interest	14,084	14,394
Other	76,090	77,741
Total general and administrative	124,856	125,862
	$ 1,074,428	$ 1,012,578