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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

PIKEVILLE MEDICAL CENTER INC

Doing Business As

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

911 BYPASS ROAD

Room/suite

City or town, state or country, and ZIP + 4

PIKEVILLE, KY 41501

F Name and address of principal officer

WALTER E MAY

911 BYPASS ROAD

PIKEVILLE, KY 41501

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

D Employer identification number

61-0458376

E Telephone number

(606) 218-3501

G Gross receipts \$

360,165,528

I Tax-exempt status

☒ 501(c)(3)

☐ 501(c) ( )

☐ (Insert no )

☐ 4947(a)(1) or

☐ 527

J Website:

WWW.PIKEVILLEHOSPITAL.ORG

K Form of organization

☒ Corporation

☐ Trust

☐ Association

☐ Other

L Year of formation 1923

M State of legal domicile KY

Part I Summary			
Activities & Governance	1	Briefly describe the organization's mission or most significant activities THE CENTER'S MISSION IS TO PROVIDE QUALITY REGIONAL HEALTH CARE IN A CHRISTIAN ENVIRONMENT	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets	
	3	Number of voting members of the governing body (Part VI, line 1a)	15
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4
	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	2,684
	6	Total number of volunteers (estimate if necessary)	215
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	1,008,615
	7b	Net unrelated business taxable income from Form 990-T, line 34	-455,572
Revenue	8	Contributions and grants (Part VIII, line 1h)	442,444
	9	Program service revenue (Part VIII, line 2g)	291,879,557
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,085,265
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,978,100
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	298,385,366
			351,436,562
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	215,250
	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)	135,921,312
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0
	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 8,229	
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	137,663,189
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	273,799,751
	19	Revenue less expenses Subtract line 18 from line 12	24,585,615
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	263,525,600
	21	Total liabilities (Part X, line 26)	84,228,459
	22	Net assets or fund balances Subtract line 21 from line 20	179,297,141
			210,445,063

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

MICHELLE HAGY CFO

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Firm's name

Firm's address

Preparer's signature

Date

Check if self-employed

PTIN

Firm's EIN

Phone no

May the IRS discuss this return with the preparer shown above? (see instructions)

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2010)

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

PIKEVILLE MEDICAL CENTER'S MISSION IS TO PROVIDE QUALITY REGIONAL HEALTHCARE IN A CHRISTIAN ENVIRONMENT

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 \$ 52,093,837 including grants of \$ 0 ) (Revenue \$ 30,713,250 )
	PHYSICIAN PRACTICES DURING FY 2011, PIKEVILLE MEDICAL CENTER (PMC) WELCOMED 26 NEW PHYSICIANS, SIX NEW NURSE PRACTITIONERS AND ONE PHYSICIAN ASSISTANT TO ITS PHYSICIAN PRACTICE TEAM THEY INCLUDED ONE NEPHROLOGIST, ONE INTENSIVIST, ONE OTOLARYNGOLOGIST, ONE UROLOGIST, TWO GENERAL SURGEONS, TWO RHEUMATOLOGISTS, ONE VASCULAR SURGEON, ONE CRITICAL CARE PHYSICIAN, TWO OBSTETRICIANS, ONE GYNECOLOGICAL ONCOLOGIST, SIX HOSPITALISTS, ONE HAND SURGEON, ONE PEDIATRIC ENDOCRINOLOGIST, ONE FAMILY PRACTICE PHYSICIAN, ONE INTERVENTIONAL CARDIOLOGIST, ONE PHYSIATRIST, ONE PULMONOLOGIST AND ONE SPORTS MEDICINE PHYSICIAN WITH THE ADDITION OF THE NEW DOCTORS, PIKEVILLE MEDICAL CENTER HAS A TEAM OF MORE THAN 270 FULL-TIME EMPLOYEES STAFFING ITS PHYSICIAN PRACTICE OFFICES THESE NEWLY RECRUITED PHYSICIANS, ALONG WITH OUR EXISTING EMPLOYED PHYSICIANS COMPLETED MORE THAN 112,700 PATIENT VISITS/CONSULTATIONS PIKEVILLE MEDICAL CENTER'S PHYSICIAN PRACTICE NETWORK INCLUDES FAMILY PHYSICIAN PRACTICES IN HAROLD, PIKEVILLE, MOUTHCARD, AND SHELBY VALLEY (KENTUCKY), UROLOGY, GYNECOLOGICAL ONCOLOGY, GENERAL SURGERY, OBSTETRICS AND GYNECOLOGY, CARDIOTHORACIC SURGERY, INFECTIOUS DISEASE, NEPHROLOGY, PULMONOLOGY, PLASTIC SURGERY, INTERVENTIONAL CARDIOLOGY, COUMADIN/CONGESTIVE HEART FAILURE, CARDIOLOGY PRACTICES IN GRUNDY (VIRGINIA), PAINTSVILLE, WHITESBURG AND SOUTH WILLIAMSON (KENTUCKY), BARIATRIC SURGERY, ORTHOPAEDIC REHABILITATION, NEUROSURGERY, OTOLARYNGOLOGY, ORTHOPAEDIC SURGERY, SPORTS MEDICINE, RHEUMATOLOGY, ADULT AND PEDIATRIC ENDOCRINOLOGY, PAIN MANAGEMENT, ONCOLOGY PRACTICES IN PIKEVILLE, PAINTSVILLE AND SOUTH WILLIAMSON (KENTUCKY), PULMONARY REHABILITATION, AND OPHTHALMOLOGY-RETINA SPECIALIST PIKEVILLE MEDICAL CENTER BEGAN THE RELOCATION OF ITS LEONARD LAWSON CANCER CENTER IN SEPTEMBER 2011 OUR PATIENTS NOW ENJOY EASY ACCESS, CONVENIENT PARKING AND A FACILITY DESIGNED WITH THE PATIENT IN MIND THE NEW FACILITY INCLUDES 18 STATE-OF-THE-ART EXAM ROOMS, 18 CHEMOTHERAPY STATIONS, A TEAM OF 10 EXPERIENCED ONCOLOGISTS, PHYSICIAN OFFICES, AN ONCOLOGY LABORATORY, INFUSION ROOM AND AN ON-SITE PHARMACY THE TOTAL RELOCATION COST WAS MORE THAN FOUR MILLION DOLLARS FOR THE SECOND CONSECUTIVE TIME, THE LEONARD LAWSON CANCER CENTER RECEIVED THE COMMISSION ON CANCER'S "OUTSTANDING ACHIEVEMENT AWARD " PMC IS THE ONLY HOSPITAL IN KENTUCKY TO BE HONORED TWICE AND CONSECUTIVELY BY THIS DISTINCTION PIKEVILLE MEDICAL CENTER OPENED TWO NEW GYNECOLOGY CENTERS, IN PIKEVILLE AND HAROLD (KENTUCKY) AS WE CONTINUE TO OPTIMIZE OUR OPPORTUNITIES TO SERVE, WE HAVE BEEN HONORED WITH THE WOMEN'S CERTIFIED AWARD FOR EXCELLENCE IN WOMEN'S CARE THE HOSPITAL ALSO COMPLETED RENOVATION FOR A NEW ORTHOPEDIC/TRAINING CENTER AND ADDED A HAND SURGEON SPECIALIST AND SPORTS MEDICINE SPECIALIST TO THE PMC ORTHOPEDIC TEAM RECENTLY IMPLEMENTING NEXTGEN, A NEW ELECTRONIC MEDICAL RECORDS SYSTEM, PIKEVILLE MEDICAL CENTER IS WELL ON ITS WAY TO BEING PAPERLESS WHERE ALL MEDICAL RECORDS ARE DOCUMENTED IN THE COMPUTER THIS NEW, MORE EFFICIENT, FASTER SYSTEM ALLOWS EVERYONE INVOLVED IN THE PATIENT'S CARE TO RECEIVE IMMEDIATE DOCUMENTATION IN FEBRUARY 2011, PIKEVILLE MEDICAL CENTER BEGAN CONSTRUCTION ON A MEDICAL OFFICE BUILDING AND PARKING GARAGE THAT WHEN COMPLETE WILL HAVE 10 FLOORS OF PARKING IN THE GARAGE WITH A TOTAL OF 1,162 PARKING SPACES AND 10 FLOORS IN THE MEDICAL OFFICE BUILDING WITH THE FIRST FLOOR BEING PARKING AND MECHANICAL ROOMS, TWO FLOORS FOR SURGICAL FUNCTIONS, SIX AND ONE-HALF FLOORS OF PHYSICIAN EXAM SPACE, AND ONE-HALF FLOOR OF CONFERENCE SPACE THE ANTICIPATED COST OF THIS TOTAL PROJECT WILL BE APPROXIMATELY \$112 MILLION UPON COMPLETION, PMC WILL CONCENTRATE ITS EMPLOYED PHYSICIANS IN A SINGLE VENUE FOLLOWING THE MAYO CLINIC MODEL OF HOSPITAL-PHYSICIAN INTEGRATION, THIS WILL ALLOW EASY PATIENT ACCESS TO PHYSICIAN OFFICES AS WELL AS THE MAIN HOSPITAL FACILITY
4b	(Code ) (Expenses \$ 12,078,524 including grants of \$ 0 ) (Revenue \$ 39,504,631 )
	IMAGING SERVICES PIKEVILLE MEDICAL CENTER'S DIAGNOSTIC IMAGING SERVICES ARE KNOWN AS ONE OF THE BEST EQUIPPED IN THE NATION THE HOSPITAL'S BOARD CERTIFIED RADIOLOGISTS ARE EXPERTS WHO CONSULT WITH SPECIALISTS IN OTHER DEPARTMENTS TO PROVIDE PATIENT CARE RADIOLOGISTS WORK WITH THE BEST EQUIPMENT AVAILABLE, AS WELL AS SKILLED TECHNOLOGISTS AND NURSES TO PERFORM TESTS AND INTERPRET RESULTS IN THE IMAGING AND TREATMENT OF DISEASES AFFECTING PATIENTS OF ALL AGES OVERALL, PMC DIAGNOSTICS COMPLETED NEARLY 721,900 TESTS DURING FY 2011 THE DIFFERENT AREAS/TESTS OUR PATIENTS WERE REFERRED TO INCLUDED, CT, ULTRASOUND, PET SCAN, MRI (LOCATED ON TWO DIFFERENT CAMPUSES), ORTHOPEDIC DIAGNOSTIC RADIOLOGY, GENERAL DIAGNOSTIC RADIOLOGY AND NUCLEAR MEDICINE DURING FY 2011, THE HOSPITAL COMPLETED MORE THAN \$793,400 IN RENOVATIONS TO CURRENT DIAGNOSTIC IMAGING AREAS AND THE ADDITION OF NEW STATE-OF-THE-ART TECHNOLOGY IN FIVE LOCATIONS AMONG THE NEW EQUIPMENT PIKEVILLE MEDICAL CENTER PURCHASED WERE ULTRASOUND SYSTEM - PHILLIPS IE33 (TEE) VISION SYSTEM W/QLAB, TWO TOSHIBA AQUILION ONE DYNAMIC VOLUME CT SCANNERS, TOSHIBA AQUILION LARGE BORE (64) CT SCANNER AND ONE TOSHIBA TITAN X HIGH FIELD MRI SYSTEM THE TOSHIBA AQUILION LARGE BORE (64) CT SCANNER WAS INSTALLED IN PMC'S RADIATION ONCOLOGY DEPARTMENT THIS MACHINE IS HELPFUL FOR CLAUSTROPHOBICS AND THE OBESE, ACCOMMODATING PATIENTS UP TO 650 LBS
4c	(Code ) (Expenses \$ 16,491,505 including grants of \$ 0 ) (Revenue \$ 29,482,926 )
	CARDIAC SERVICES ONE OF THE NATION'S MOST PREVALENT HEALTH PROBLEMS IS HEART DISEASE, AND OUR REGION IS NO EXCEPTION PIKEVILLE MEDICAL CENTER, AFFILIATED WITH CLEVELAND CLINIC'S HEART SURGERY PROGRAM, MADE A COMMITMENT 13 YEARS AGO TO BUILD A WORLD CLASS HEART PROGRAM PMC IS THE FIRST HOSPITAL IN THE STATE OF KENTUCKY AND THE FIFTH IN THE NATION TO BE RECOGNIZED AS A LEVEL IV CHEST PAIN ACCREDITED HEART & VASCULAR INSTITUTE FY 2011 WAS ANOTHER SUCCESSFUL YEAR FOR RECRUITMENT, WITH THE EMPLOYMENT OF AN ADDITIONAL VASCULAR SURGEON AND THE ADDITION OF A FORMER CLEVELAND CLINIC INTERVENTIONAL CARDIOLOGIST THESE NEW PHYSICIANS JOINED AN ALREADY ESTABLISHED CARDIOLOGY TEAM INCLUDING TWO APRNS, TWO PA-CS, TWO CARDIOTHORACIC SURGEONS, SIX RADIOLOGISTS, AND AN ELECTROPHYSIOLOGIST ALL OF OUR SURGEONS IN THE HEART & VASCULAR INSTITUTE ARE CREDENTIALLED AT CLEVELAND CLINIC, ALLOWING THEM TO MIRROR CLEVELAND'S BEST PRACTICES WHILE EXCHANGING INFORMATION AND RESEARCH PIKEVILLE MEDICAL CENTER IS COMMITTED TO PROVIDING THE MOST ADVANCED TOOLS AND FACILITIES AVAILABLE ANYWHERE PMC PROVIDES HEART PATIENTS WITH DIAGNOSTIC CATHS, STENTS AND ANGIOPLASTY, INTRAVASCULAR ULTRASOUND AND MINIMALLY INVASIVE CLOSURE OF HEART DEFECTS, JUST TO NAME A FEW DURING FY 2011, PIKEVILLE MEDICAL CENTER'S HEART AND VASCULAR INSTITUTE COMPLETED A NEW CATH LAB HOLDING AREA RENOVATION, AND ADDED TWO NEW PIECES OF EQUIPMENT (THE CARDIAC CRYOABLATION SYSTEM AND THE TOSHIBA INFINIX VF-I/S VASCULAR SYSTEM), AN INVESTMENT OF MORE THAN \$1,367,300 DURING THIS YEAR WE HAVE ADDED AN EP LAB TO BETTER SERVE OUR PATIENTS PMC HAS ALSO RECEIVED ECHO CERTIFICATION AS WE LOOK FOR WAYS TO IMPROVE, PMC HAS AGAIN MOVED OUTSIDE THE WALLS OF ITS MAIN CAMPUS WE'VE OPENED MULTI-PURPOSE REGIONAL CLINICS IN THE OUTLYING COMMUNITIES OF PAINTSVILLE, WHITESBURG AND SOUTH WILLIAMSON (KENTUCKY) AND GRUNDY (VIRGINIA) WITH THE EXPANSION OF HEART-RELATED SERVICES, THE HOSPITAL HAS BEEN ABLE TO COMPLETE NEARLY 24,000 GENERAL CARDIAC CASES INCLUDING INPATIENT CARDIOLOGY CARE, CARDIAC REHAB, CARDIOPULMONARY, EDG, EEG AND CARDIAC CATHLAB SERVICES PMC ALSO COMPLETED 140 OPEN HEART CASES
4d	Other program services (Describe in Schedule O ) See also Additional Data for Description
	(Expenses \$ 200,317,686 including grants of \$ 94,068 ) (Revenue \$ 245,331,335 )
4e	Total program service expenses➤\$ 280,981,552

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i> 	3	No
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i> 	4	Yes
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i> 	5	No
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	Yes
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States? . . . . .	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</i> . . . . .	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Parts II and IV.</i> . . . . .	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? <i>If "Yes," complete Schedule F, Parts III and IV.</i> . . . . .	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i> . . . . .	18	Yes
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i> . . . . .	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> . . . . . 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> 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	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I . . . . .	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	Yes	
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	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV . . . . .	28b	Yes	
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		No
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 . . . . .			
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 . . . . .	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? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

<div>Part V</div> <div>Statements Regarding Other IRS Filings and Tax Compliance</div> <div>Check if Schedule O contains a response to any question in this Part V</div>			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a131		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b0		
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.	2a2,684		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?  Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes	
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		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).				
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.				
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b		
11 Section 501(c)(12) organizations. Enter				
a	Gross income from members or shareholders.	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.				
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b		
c	Enter the amount of reserves on hand.	13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b		

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.  
Check if Schedule O contains a response to any question in this Part VI ☒

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . .		
1b	Enter the number of voting members included in line 1a, above, who are independent . . . . .		
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? . . . . .	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? . . . . .		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .		No
6	Does the organization have members or stockholders? . . . . .		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .		No
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following . . . . .		
8a	The governing body? . . . . .	Yes	
8b	Each committee with authority to act on behalf of the governing body? . . . . .	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 . . . . .		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? . . . . .		No
10b	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? . . . . .		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? . . . . .		No
11b	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 . . . . .	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .	Yes	
13	Does the organization have a written whistleblower policy? . . . . .	Yes	
14	Does the organization have a written document retention and destruction policy? . . . . .	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? . . . . .		
15a	The organization's CEO, Executive Director, or top management official . . . . .	Yes	
15b	Other officers or key employees of the organization . . . . . If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions )	Yes	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .		No
16b	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? . . . . .		

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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ MICHELLE HAGY CFO 911 BYPASS ROAD PIKEVILLE, KY 41501 (606) 218-3974

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

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

Form **990** (2010)



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) . . . . .								7,525,645	0	477,831

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▶127

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ROSE BUILDERS 7 STACY STREET HAROLD, KY 41635	CONSTRUCTION SERVICES	5,931,518
PRECYSE SOLUTIONS LLC 1275 DRUMMERS LANE WAYNE, PA 19087	HIM SERVICES	2,242,433
STENGEL HILL ARCHITECTURE INC 613 W MAIN STREET LOUISVILLE, KY 40202	PROFESSIONAL SERVICES	2,194,413
MCKESSON HBOC PO BOX 98347 CHICAGO, IL 60693	PROFESSIONAL SERVICES	1,971,319
GENERAL ELECTRIC PO BOX 96483 CHICAGO, IL 60693	PROFESSIONAL SERVICES	1,119,902
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 ▶49		

Part VIII

Statement of Revenue

					(A)	(B)	(C)	(D)	
					Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections  512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a		352,146				
	b	Membership dues . . . . .	1b						
	c	Fundraising events . . . . .	1c	331,842					
	d	Related organizations . . . . .	1d						
	e	Government grants (contributions)	1e						
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	20,304					
	g	Noncash contributions included in lines 1a-1f \$							
	h	Total. Add lines 1a-1f . . . . .							
	Program Service Revenue	2a							Business Code
		PATIENT SERVICE REVENUE			621110	338,216,599	338,216,599		
b									
c									
d									
e									
f		All other program service revenue							
g		Total. Add lines 2a-2f . . . . .				338,216,599			
Other Revenue		3	Investment income (including dividends, interest and other similar amounts) . . . . .				1,215,521		1,215,521
	4	Income from investment of tax-exempt bond proceeds . .							
	5	Royalties . . . . .				14,082		14,082	
	6a	Gross Rents	(i) Real	(ii) Personal	187,003	-160,524	347,527		
			410,411	347,527					
		b	Less rental expenses	570,935					
		c	Rental income or (loss)	-160,524					347,527
	d	Net rental income or (loss) . . . . .							
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other	20,748			20,748	
				1,694,908					
		b	Less cost or other basis and sales expenses	1,674,160					
		c	Gain or (loss)	20,748					
	d	Net gain or (loss) . . . . .							
	8a	Gross income from fundraising events (not including \$ 331,842 of contributions reported on line 1c) See Part IV, line 18 . . . . .			-58,638			-58,638	
		a	97,141						
		b	Less direct expenses . . . . .	155,779					
	c	Net income or (loss) from fundraising events . .							
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .	a						
		b	Less direct expenses . . . . .	b					
		c	Net income or (loss) from gaming activities . .						
10a	Gross sales of inventory, less returns and allowances . . . . .			2,018,353		318,547	1,699,806		
	a	8,346,445							
	b	Less cost of goods sold . . . . .	6,328,092						
c	Net income or (loss) from sales of inventory . .								
Miscellaneous Revenue				Business Code					
11a	INSURANCE SETTLEMENT		900099	6,233,814	6,233,814				
	b	CAFETERIA		900099	2,152,140	0	2,152,140		
	c	OTHER REVENUE		900099	742,253	742,253			
	d	All other revenue . . . . .			342,541	342,541			
	e	Total. Add lines 11a-11d . . . . .				9,470,748			
12	Total revenue. See Instructions . . . . .				351,436,562	345,032,142	1,008,615	5,043,659	

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	73,026	73,026		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	21,042	21,042		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees . . . . .	2,812,814		2,812,814	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
7	Other salaries and wages	118,043,944	101,901,463	16,141,222	1,259
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	1,612,224	1,391,753	220,454	17
9	Other employee benefits . . . . .	30,454,528	26,289,880	4,164,323	325
10	Payroll taxes . . . . .	7,557,785	6,322,885	1,234,804	96
a	Fees for services (non-employees)				
	Management . . . . .	443,904	310,921	132,983	
b	Legal . . . . .	1,392,675		1,392,675	
c	Accounting . . . . .	121,421		121,421	
d	Lobbying . . . . .	61,803		61,803	
e	Professional fundraising services See Part IV, line 17 . . . . .				
f	Investment management fees . . . . .	53,841		53,841	
g	Other . . . . .	9,440,630	7,379,687	2,060,943	
12	Advertising and promotion . . . . .	2,448,030	195,090	2,252,940	
13	Office expenses . . . . .	888,162	602,999	284,502	661
14	Information technology . . . . .	2,590,521	2,184,221	406,273	27
15	Royalties . . . . .				
16	Occupancy . . . . .	3,561,216	2,875,801	685,379	36
17	Travel . . . . .	418,765	269,425	149,247	93
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19	Conferences, conventions, and meetings . . . . .	156,642	95,526	60,916	200
20	Interest . . . . .	3,908,425	3,295,424	612,960	41
21	Payments to affiliates . . . . .				
22	Depreciation, depletion, and amortization . . . . .	16,681,073	14,064,798	2,616,101	174
23	Insurance . . . . .	3,623,270	3,582,764	40,468	38
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	SUPPLIES & DRUGS	54,945,718	54,633,251	312,467	
b	BAD DEBT EXPENSE	38,576,015	38,576,015		
c	MISCELLANEOUS	8,298,425	5,023,116	3,270,047	5,262
d	EQUIPMENT RENTAL & MAIN	6,072,388	5,693,965	378,423	
e	PROVIDER TAX EXPENSE	3,256,359	3,256,359		
f	All other expenses	2,942,141	2,942,141		
25	Total functional expenses. Add lines 1 through 24f	320,456,787	280,981,552	39,467,006	8,229
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	<b>1</b>	Cash—non-interest-bearing . . . . .			10,554	<b>1</b>	12,255
	<b>2</b>	Savings and temporary cash investments . . . . .			83,406,653	<b>2</b>	120,750,346
	<b>3</b>	Pledges and grants receivable, net . . . . .				<b>3</b>	
	<b>4</b>	Accounts receivable, net . . . . .			31,348,306	<b>4</b>	40,695,824
	<b>5</b>	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .			130,995	<b>5</b>	31,995
	<b>6</b>	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 . . . . .				<b>6</b>	
	<b>7</b>	Notes and loans receivable, net . . . . .				<b>7</b>	
	<b>8</b>	Inventories for sale or use . . . . .			10,156,400	<b>8</b>	10,703,096
	<b>9</b>	Prepaid expenses and deferred charges . . . . .			2,676,369	<b>9</b>	2,867,950
	<b>10a</b>	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	<b>10a</b>	250,459,527			
	<b>b</b>	Less: accumulated depreciation . . . . .	<b>10b</b>	107,746,213	126,569,200	<b>10c</b>	142,713,314
	<b>11</b>	Investments—publicly traded securities . . . . .				<b>11</b>	
	<b>12</b>	Investments—other securities. See Part IV, line 11 . . . . .			1,448,001	<b>12</b>	1,741,318
	<b>13</b>	Investments—program-related. See Part IV, line 11 . . . . .				<b>13</b>	
	<b>14</b>	Intangible assets . . . . .				<b>14</b>	
	<b>15</b>	Other assets. See Part IV, line 11 . . . . .			7,779,122	<b>15</b>	65,042,973
	<b>16</b>	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .			263,525,600	<b>16</b>	384,559,071
Liabilities	<b>17</b>	Accounts payable and accrued expenses . . . . .			29,484,308	<b>17</b>	31,417,884
	<b>18</b>	Grants payable . . . . .				<b>18</b>	
	<b>19</b>	Deferred revenue . . . . .				<b>19</b>	
	<b>20</b>	Tax-exempt bond liabilities . . . . .			34,920,000	<b>20</b>	135,795,572
	<b>21</b>	Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .				<b>21</b>	
	<b>22</b>	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .				<b>22</b>	
	<b>23</b>	Secured mortgages and notes payable to unrelated third parties . . . . .			13,238,252	<b>23</b>	209,362
	<b>24</b>	Unsecured notes and loans payable to unrelated third parties . . . . .				<b>24</b>	
	<b>25</b>	Other liabilities. Complete Part X of Schedule D . . . . .			6,585,899	<b>25</b>	6,691,190
	<b>26</b>	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .			84,228,459	<b>26</b>	174,114,008
Net Assets or Fund Balances		<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>					
	<b>27</b>	Unrestricted net assets . . . . .			179,070,296	<b>27</b>	210,239,063
	<b>28</b>	Temporarily restricted net assets . . . . .			20,845	<b>28</b>	0
	<b>29</b>	Permanently restricted net assets . . . . .			206,000	<b>29</b>	206,000
		<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>					
	<b>30</b>	Capital stock or trust principal, or current funds . . . . .				<b>30</b>	
	<b>31</b>	Paid-in or capital surplus, or land, building or equipment fund . . . . .				<b>31</b>	
	<b>32</b>	Retained earnings, endowment, accumulated income, or other funds . . . . .				<b>32</b>	
	<b>33</b>	<b>Total net assets or fund balances</b> . . . . .			179,297,141	<b>33</b>	210,445,063
	<b>34</b>	<b>Total liabilities and net assets/fund balances</b> . . . . .			263,525,600	<b>34</b>	384,559,071

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	351,436,562
2	Total expenses (must equal Part IX, column (A), line 25)	2	320,456,787
3	Revenue less expenses Subtract line 2 from line 1	3	30,979,775
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	179,297,141
5	Other changes in net assets or fund balances (explain in Schedule O)	5	168,147
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	210,445,063

Part XII Financial Statements and Reporting

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

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

SCHEDULE A  
(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
PIKEVILLE MEDICAL CENTER INC

Employer identification number  
61-0458376

Part I

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

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Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

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

Part IIIPart III

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
13 Total support (Add lines 9, 10c, 11 and 12 )						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> 						

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 <b>stop here</b> . 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 <b>stop here</b> . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		



Part IV

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

Additional Data

Software ID:

Software Version:

EIN: 61-0458376

Name: PIKEVILLE MEDICAL CENTER INC

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			
WALTER BLANKENSHIP BOARD MEMBER	2 00	X						0	0	0
TT COLLEY BOARD MEMBER	2 00	X						0	0	14,235
DAVID COLLINS CPA BOARD MEMBER	2 00	X						0	0	0
DENNIS HALBERT MD BOARD MEMBER	4 00	X						0	0	14,235
JUDITH HINKLE BOARD MEMBER	2 00	X						0	0	0
HOBART CLAY JOHNSON BOARD MEMBER	2 00	X						0	0	0
JOHN LABRECHE BOARD MEMBER	4 00	X						0	0	280
ALEX POULOS MD BOARD MEMBER	4 00	X						0	0	14,235
JO NELL ROBINSON BOARD MEMBER	4 00	X						0	0	5,532
MARY SIMPSON PHD BOARD MEMBER	2 00	X						0	0	0
SUE SMALLWOOD BOARD MEMBER	4 00	X						0	0	5,532
JOE DEAN ANDERSON BOARD MEMBER - SECRETARY	4 00	X		X				0	0	14,235
RONALD BURCHETT BOARD MEMBER -VICE-PRESIDENT	4 00	X		X				0	0	0
WILLIAM GAUNT MD BOARD-CHIEF OF STAFF	2 00	X						0	0	0
LACY PUCKETT EMERITUS BOARD MEMBER	0 00	X						0	0	0
BURLIN COLEMAN EMERITUS BOARD MEMBER	0 00	X						0	0	0
WALTER E MAY PRESIDENT/CEO	40 00	X		X				617,007	0	29,029
MICHELLE HAGY CFO-VP FINANCE	40 00			X				230,442	0	21,852
SUSAN SCHELL ACFO-PHYSICIAN NETWORK	40 00				X			163,615	0	18,509
CHERYL HICKMAN ASSISTANT TO PRESIDENT	40 00				X			214,733	0	28,719
WILLIAM JOHNSON CHIEF MEDICAL OFFICER	40 00				X			268,871	0	27,744
DEBRA HAMPTON CHIEF NURSING OFFICER	40 00				X			233,022	0	24,882
JUANITA DESKINS CHIEF OPERATING OFFICER	40 00				X			231,410	0	21,579
PEGGY JUSTICE VP PHYSICIAN NETWORK	40 00				X			164,907	0	26,540
TERENCE FARRELL VP PROF/SUPPORT SERVICES	40 00				X			212,572	0	21,482

**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			
DEBORAH PUCKETT VP REHAB/WOUND CARE SERVIC	40 00				X			156,761	0	21,553
BILL HARRIS MD INTERVENTIONAL CARDIOLOGIS	40 00					X		803,104	0	29,341
DUANE DENSLE MD NEUROSURGEON	40 00					X		895,945	0	26,265
NORMAN MAYER MD NEUROSURGEON	40 00					X		972,491	0	25,739
KEITH HALL MD ORTHOPEDIC SURGEON	40 00					X		1,079,783	0	25,725
KEVIN PUGH MD ORTHOPEDIC SURGEON	40 00					X		914,171	0	25,725
DANNY HARRIS FORMER CFO-VP FINANCE	40 00						X	103,727	0	13,342
JERRY JOHNSON FORMER COO	40 00						X	263,084	0	21,521

4d. Other program services						
(Code	) (Expenses \$	200,317,686	including grants of \$	94,068	) (Revenue \$	245,331,335
OTHER PIKEVILLE MEDICAL CENTER HAS BEEN RECOGNIZED AS THE NATION'S ONLY REPEAT WINNER FOR THREE CONSECUTIVE YEARS OF THE NATIONAL HOSPITAL OF THE YEAR BY THE AMERICAN ALLIANCE OF HEALTHCARE PROVIDERS PMC HAS ALSO BEEN NAMED A HOSPITAL OF CHOICE EMERITUS PMC IS LICENSED FOR 261 BEDS AND PROVIDES MORE THAN 400 HEALTH CARE SERVICES THROUGHOUT MULTIPLE COUNTIES PMC'S COMPASSIONATE EMPLOYEES AND DEDICATED DOCTORS PROVIDE UNSURPASSED SERVICE WITH STATE-OF-THE-ART TECHNOLOGY AND UNMATCHED GENEROSITY TO THE COMMUNITY KNOWN AS THE PREMIER HOSPITAL IN A MULTI-STATE REGION, PMC IS CONTINUALLY GROWING AND LOOKING FOR NEW WAYS TO PROVIDE THE MOST ADVANCED HEALTH CARE AVAILABLE PHYSICAL INPATIENT REHABILITATION HOSPITALPIKEVILLE MEDICAL CENTER'S INPATIENT PHYSICAL REHABILITATION (IPR) HOSPITAL, A STATE-OF-THE-ART FACILITY CONSISTS OF 40 LICENSED BEDS AND COVERS 23,000 SQUARE FEET OF SPACE INCLUDING A DINING HALL, FULLY EQUIPPED KITCHEN AND LAUNDRY FACILITIES BEING RANKED #1 IN PATIENT SATISFACTION OUT OF MORE THAN 400 HOSPITALS SURVEYED BY HEALTHSTREAM RESEARCH, PMC'S INPATIENT PHYSICAL REHABILITATION HOSPITAL IS DEDICATED TO HELPING PATIENTS WHO ARE DISABLED BY DISEASE OR INJURY FOR PATIENTS NEEDING INTENSIVE REHABILITATION, PIKEVILLE MEDICAL CENTER'S INPATIENT REHABILITATION PHYSICIAN LED TEAM OFFERS A FULL RANGE OF SERVICES FROM PHYSICAL, OCCUPATIONAL, AND SPEECH THERAPISTS, REHABILITATION NURSES, CASE MANAGERS, SOCIAL WORKERS, DIETITIANS AND OTHER PROFESSIONALS THE TEAM WORKS WITH PATIENTS AND THEIR FAMILIES TO DESIGN AND EXECUTE A CAREFULLY MONITORED TREATMENT PLAN THAT MEETS EACH INDIVIDUAL PATIENT'S NEEDS THE GOAL OF PMC'S INPATIENT REHABILITATION HOSPITAL IS TO RETURN THE PATIENT HOME OR BACK TO WORK AS SOON AS POSSIBLE FOLLOWING AN ILLNESS OR ACCIDENT, ALLOWING THEM TO REGAIN THE HIGHEST LEVEL OF INDEPENDENCE POSSIBLE PMC IS ONE OF ONLY 70 HOSPITALS IN THE U S TO OFFER LOKOMAT THERAPY THE LOKOMAT USES A COMPUTER PROGRAM TO GUIDE THE PATIENT'S LEGS IN A NATURAL PATTERN ALLOWING FOR A MORE INTENSE TRAINING BY USING THIS EQUIPMENT, THE PATIENT ACHIEVES A NATURAL GAIT AND RE-LEARNS HOW TO WALK PMC IS ONE OF ONLY 17 REHABILITATION HOSPITALS IN THE COUNTRY TO OFFER PEDIATRIC EXTENSIONS FOR CHILDREN STROKE CENTERPIKEVILLE MEDICAL CENTER HAS RECEIVED THE AMERICAN HEART ASSOCIATION/AMERICAN STROKE ASSOCIATION'S GET WITH THE GUIDELINES -STROKE GOLD PLUS QUALITY ACHIEVEMENT AWARD ONLY 10 HOSPITALS IN KENTUCKY HAVE EARNED THIS ACCREDITATION, AND NO OTHER KENTUCKY HOSPITAL EAST OF LEXINGTON HAS EARNED THIS PRESTIGIOUS DISTINCTION THE AWARD RECOGNIZES PMC'S COMMITMENT AND SUCCESS IN IMPLEMENTING EXCELLENT CARE FOR STROKE PATIENTS, ACCORDING TO EVIDENCE-BASED GUIDELINES TO RECEIVE THE AWARD, PMC ACHIEVED 85 PERCENT OR HIGHER ADHERENCE TO ALL GET WITH THE GUIDELINES-STROKE QUALITY ACHIEVEMENT INDICATORS FOR TWO OR MORE CONSECUTIVE 12-MONTH INTERVALS AND ACHIEVED 75 PERCENT OR HIGHER COMPLIANCE WITH SIX OF TEN GET WITH THE GUIDELINES-STROKE QUALITY MEASURES, WHICH ARE REPORTING INITIATIVES TO MEASURE QUALITY OF CARE EMERGENCY DEPARTMENTIN PREPARATION FOR ACHIEVING LEVEL II TRAUMA CENTER CERTIFICATION, PIKEVILLE MEDICAL CENTER COMPLETED A \$10 MILLION EXPANSION AND RENOVATION TO ITS EMERGENCY DEPARTMENT THIS NEW FACILITY ENCOMPASSES NEARLY 23,000 SQUARE FEET AND INCLUDES TWO TRAUMA BAYS AND THREE TRIAGE BAYS, AS WELL AS ON-SITE CT SCANNING AND DIGITAL X-RAY TRAUMA TRAUMA CARE IS NOW AVAILABLE AT PMC IN THE IMMEDIATE FUTURE WE WILL BE CERTIFIED AS A LEVEL II TRAUMA CENTER BY THE AMERICAN COLLEGE OF SURGEONS WE HAVE ALREADY TREATED APPROXIMATELY 500 TRAUMA CASES THIS SERVICE ALLOWS PMC TO PROVIDE THE HIGHEST LEVEL OF CARE TO TRAUMA PATIENTS WHO DEPEND ON IMMEDIATE CARE FOR SURVIVAL TRANSLATION SERVICES THE POPULATION IN EASTERN KENTUCKY IS QUICKLY BECOMING MORE DIVERSE CREATING SPECIAL COMMUNICATION NEEDS PIKEVILLE MEDICAL CENTER HAS LAUNCHED A NEW WEB BASED VIDEO TRANSLATION SERVICE WITH INTERPRETERS SKILLED IN MEDICAL TERMINOLOGY IN OVER 180 LANGUAGES THIS IMPORTANT NEW SERVICE MINIMIZES MANY COMMUNICATION BARRIERS WHICH MIGHT EXIST WITH OUR PATIENTS THE JOURNEY OF EXCELLENCE CONTINUESTHE HOSPITAL'S BOARD OF DIRECTORS, MORE THAN 250 CREDENTIALAED PHYSICIANS AND NEARLY 2,600 EMPLOYEES BELIEVE AND CARRY OUT THE HOSPITAL'S MISSION STATEMENT EVERYDAY "TO PROVIDE QUALITY, REGIONAL HEALTH CARE IN A CHRISTIAN ENVIRONMENT " IT IS PRIMARILY BECAUSE OF THIS WORK ETHIC THAT PIKEVILLE MEDICAL CENTER REGULARLY RECEIVES RECOGNITION AND AWARDS SUCH AS -JUNE 2012 - NATIONAL HOSPITAL OF THE YEAR FOR AN UNPRECEDENTED THIRD CONSECUTIVE TIME AND HOSPITAL OF CHOICE EMERITUS -APRIL 2012 - BEST PLACES TO WORK IN KENTUCKY TOP HOSPITAL -FEBRUARY 2012 - U S NEWS & WORLD REPORT BEST REGIONAL HOSPITAL -FEBRUARY 2012 - HOSPITAL OF CHOICE AWARD PMC IS IN THE TOP 10 OF MORE THAN 400 HOSPITALS THAT WERE CONSIDERED PMC IS THE ONLY KENTUCKY HOSPITAL TO BE A HOSPITAL OF CHOICE -FEBRUARY 2012 - PMC'S RADIOLOGY SERVICES HAS RECEIVED THREE-YEAR ACCREDITATION FROM THE AMERICAN COLLEGE OF RADIOLOGY -5TH IN THE NATION AND 1ST IN KENTUCKY IN MODERN HEALTHCARE MAGAZINE'S BEST PLACES TO WORK THIS IS THE FOURTH CONSECUTIVE YEAR OF NATIONAL RECOGNITION BY MODERN HEALTHCARE -BEST REGIONAL HOSPITAL IN THREE SPECIALTY AREAS (GYNECOLOGY, EAR NOSE & THROAT AND NEPHROLOGY) BY U S NEWS AND WORLD REPORT FOR 2011-2012 -ONE OF "AMERICA'S BEST HOSPITALS FOR PATIENT EXPERIENCE" BY WOMEN CERTIFIED - IN 2011, PMC'S IT DEPARTMENT WAS RANKED 7TH IN THE NATION IN HEALTHCARE IT NEWS WHERE TO WORK BEST HOSPITAL IT DEPARTMENTS -IN 2011, WE WERE AWARDED THE GET WITH THE GUIDELINES GOLD PLUS AWARD BY THE AMERICAN HEART ASSOCIATION/AMERICAN STROKE ASSOCIATION FOR MAINTAINING STRICT ADHERENCE TO NATIONALLY ACCEPTED BEST PRACTICES FOR STROKE CARE THIS IS THEIR HIGHEST AWARD OFFERED FOR STROKE CARE -3 PMC PHYSICIANS, A CARDIOTHORACIC SURGEON, AN INTERVENTIONAL CARDIOLOGIST AND A RHEUMATOLOGIST WERE NAMED TO THE 2011-2012 BEST DOCTORS IN AMERICA LIST -EXCELLENCE THROUGH INSIGHT AWARD FOR RATING #1 NATIONALLY FOR PATIENT SATISFACTION IN INPATIENT ONCOLOGY AND INPATIENT REHABILITATION -COMMISSION ON CANCER'S OUTSTANDING ACHIEVEMENT AWARD PRESENTED BY THE AMERICAN COLLEGE OF SURGEONS (GIVEN TO THE TOP 7 PERCENT OF CANCER PROGRAMS IN THE NATION EACH YEAR) -WE WERE AWARDED THE BALDRIDGE CRITERIA BASED LEVEL 4 EXCELLENCE AWARD BY THE KENTUCKY CENTER FOR PERFORMANCE EXCELLENCE -AMERICAN CANCER SOCIETY'S COMMUNITY VOLUNTEER OF THE YEAR AWARD TO THE LEONARD LAWSON CANCER CENTER -AMERICAN DIABETES ASSOCIATION'S RECOGNITION AWARD TO PMCS DIABETES EDUCATION DEPARTMENT -CENTRAL KENTUCKY BLOOD CENTER'S LIFETIME ACHIEVEMENT AWARD PRESENTED TO PMC PRESIDENT & CEO WALTER E MAY -CHAMBER OF COMMERCE AWARD FOR COMMUNITY INVOLVEMENT -KENTUCKY'S FIRST LEVEL 3 ACCREDITED CHEST PAIN CENTER, THE HIGHEST RECOGNITION GIVEN BY THE SOCIETY OF CHEST PAIN CENTERS -MCKESSON NATIONAL VIP AWARD FOR SUPPORTING ORGANIZATIONAL GROWTH AND TECHNOLOGY AT PIKEVILLE MEDICAL CENTER WE ARE NOT JUST STRIVING TO BE THE BEST HEALTH CARE PROVIDER WE CAN BE, WE ARE STRIVING TO BE THE MODEL HEALTH CARE ORGANIZATION THAT BENEFITS EVERYONE PMC WILL CONTINUE TO IMPROVE AND GROW, AND WILL ALWAYS PURSUE EXCELLENCE TECHNOLOGY WILL EVOLVE AND WE WILL CONTINUE TO RECRUIT THE COUNTRY'S BEST PHYSICIANS AND ADD SPECIALTY SERVICES TO ASSURE THE BEST HEALTH CARE POSSIBLE FOR OUR PATIENTS PMC REFUSES TO ACCEPT STATUS QUO, BY ALWAYS OFFERING THE BEST TO PATIENTS PIKEVILLE MEDICAL CENTER IS CONFIDENT ITS APPROACH TO HEALTH CARE IS ONE OF THE BEST THROUGH HARD WORK, A FIRM COMMITMENT TO ALL THE PATIENTS WHO ENTER THE HOSPITAL'S DOORS AND SUCCESSFULLY LIVING OUT OUR MISSION STATEMENT EVERY DAY "TO PROVIDE QUALITY REGIONAL HEALTH CARE IN A CHRISTIAN ENVIRONMENT" PMC WILL CONTINUE TO GROW AND REDEFINE THE HEALTH CARE MODEL						

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 PIKEVILLE MEDICAL CENTER INC	Employer identification number 61-0458376
--	--

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

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

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$ _____
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$ _____
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If “Yes,” describe in Part IV	

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

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

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

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

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

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

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

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

Part II-B

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

		(a)		(b)
		Yes	No	Amount
<b>1</b>	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			
	<b>a</b> Volunteers?		No	
	<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	<b>c</b> Media advertisements?		No	
	<b>d</b> Mailings to members, legislators, or the public?		No	
	<b>e</b> Publications, or published or broadcast statements?		No	
	<b>f</b> Grants to other organizations for lobbying purposes?		No	
	<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	Yes		61,803
	<b>i</b> Other activities? If "Yes," describe in Part IV	Yes		13,126
	<b>j</b> Total lines 1c through 1i			74,929
<b>2a</b>	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b>	If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b>	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b>	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	2a	
a	Current year		
b	Carryover from last year		
c	Total		
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
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	OTHER ACTIVITY COSTS ARE THE CORPORATION'S PORTION OF TRADE DUES (I E KENTUCKY HOSPITAL ASSOCIATION)

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**  
PIKEVILLE MEDICAL CENTER INC

**Employer identification number**  
  
61-0458376

Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

Part II

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

1

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

☐ Preservation of land for public use (e g , recreation or pleasure)☐ Preservation of an historically importantly land area☐ Protection of natural habitat☐ Preservation of a certified historic structure☐ Preservation of open space

2

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

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

3

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

4

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

5

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

☐ Yes☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

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

Part III

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

1a

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

b

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

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

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

2

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

a

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

b

Assets included in Form 990, Part X▶ \$ \_\_\_\_\_

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

Cat No 52283D

Schedule D (Form 990) 2010



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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance . . . . .	226,845	226,346	331,000		
b Contributions . . . . .		25,000	479,000		
c Investment earnings or losses . . . . .					
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .	20,845	24,501	583,654		
f Administrative expenses . . . . .					
g End of year balance . . . . .	206,000	226,845	226,346		

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 100 000 %

c

Term endowment ▶

3a

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

(i)

unrelated organizations . . . . .

(ii)

related organizations . . . . .

b

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

	Yes	No
3a(i)		No
3a(ii)		No
3b		

4

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

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		5,495,937		5,495,937
b Buildings . . . . .	5,499,265	105,661,357	38,050,496	73,110,126
c Leasehold improvements . . . . .		3,179,896	1,327,213	1,852,683
d Equipment . . . . .		103,937,092	68,368,504	35,568,588
e Other . . . . .		26,685,980		26,685,980
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶				142,713,314



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	351,436,562
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	320,456,787
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	30,979,775
4	Net unrealized gains (losses) on investments	4	168,151
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-4
9	Total adjustments (net) Add lines 4 - 8	9	168,147
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	31,147,922

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	358,712,670
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	168,151
b	Donated services and use of facilities . . . . .	2b	53,153
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	7,054,806
e	Add lines 2a through 2d . . . . .	2e	7,276,110
3	Subtract line 2e from line 1 . . . . .	3	351,436,560
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	2
c	Add lines 4a and 4b . . . . .	4c	2
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5	351,436,562

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements . . . . .	1	327,564,746
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities . . . . .	2a	53,153
b	Prior year adjustments . . . . .	2b	
c	Other losses . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	7,054,806
e	Add lines 2a through 2d . . . . .	2e	7,107,959
3	Subtract line 2e from line 1 . . . . .	3	320,456,787
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	0
5	Total Expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5	320,456,787

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE AMOUNT OF \$206,000 IS A PERMANENT RESTRICTED ENDOWMENT-HERBERT FABER ENDOWMENT FUND. THE BALANCE OF THE RAY OF HOPE FOUNDATION DONATION IN THE AMOUNT OF \$20,845 WAS USED TO PROVIDE INDIGENT PATIENTS WITH FINANCIAL ASSISTANCE FOR TRAVEL AND MEDICATION RELATED EXPENSES DURING FY 2011.
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE HOSPITAL HAS RECEIVED A DETERMINATION LETTER FROM THE IRS THAT IT IS A NOT-FOR-PROFIT ORGNAIZATION EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. THE HOSPITAL HAD NO UNCERTAIN TAX POSITIONS AT SEPTEMBER 30, 2011 AND 2012.
PART XII, LINE 2D - OTHER ADJUSTMENTS		EXPENSES RECLASSSED TO REVENUE SECTION 6,899,027 FUNDRAISING EXPENSES 155,779
PART XII, LINE 4B - OTHER ADJUSTMENTS		ROUNDING 2
PART XIII, LINE 2D - OTHER ADJUSTMENTS		EXPENSES RECLASSSED TO REVENUE SECTION 6,899,027 FUNDRAISING EXPENSES 155,779
		FORM 990, PART IV LINE 12 HAS BEEN CHECKED NO PER 990 INSTRUCTIONS. PART XI, XII, AND XIII ARE NOT REQUIRED AS THE ORGANIZATION IS PART OF A CONSOLIDATED FINANCIAL STATEMENT. THE CONSOLIDATED FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTING FIRM AND PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. HOWEVER, THE ORGANIZATION OPTED TO VOLUNTARILY COMPLETE THESE SECTIONS.



Part II Fundraising Events.

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

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		NEW YEARS EVE GALA (event type)	(event type)	(total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts . . . .	428,983		428,983
	2	Less Charitable contributions . . . .	331,842		331,842
	3	Gross income (line 1 minus line 2) . . . .	97,141		97,141
Direct Expenses	4	Cash prizes . . . .			
	5	Non-cash prizes . . . .			
	6	Rent/facility costs . . . .	50,060		50,060
	7	Food and beverages . . . .	73,259		73,259
	8	Entertainment . . . .	11,748		11,748
	9	Other direct expenses . . . .	20,712		20,712
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶			
	11	Net income summary Combine lines 3 and 10 in column (d). . . . . ▶			
					-58,638

Part III Gaming.

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

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
Revenue	1	Gross revenue . . . . .			
	2	Cash prizes . . . . .			
Direct Expenses	3	Non-cash prizes . . . . .			
	4	Rent/facility costs . . . . .			
	5	Other direct expenses . . . . .			
	6	Volunteer labor . . . . .	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No
	7	Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶			
	8	Net gaming income summary Combine lines 1 and 7 in column (d) . . . . . ▶			

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

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

b If "No," Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

b If "Yes," Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☐ No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

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

14

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

Name  \_\_\_\_\_



Address  \_\_\_\_\_

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No

b

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


c


If "Yes," enter name and address

Name  \_\_\_\_\_

Address  \_\_\_\_\_

16 Gaming manager information

Name  \_\_\_\_\_

Gaming manager compensation  \$ \_\_\_\_\_

Description of services provided  \_\_\_\_\_

☐ Director/officer      ☐ Employee      ☐ Independent contractor

17


Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b

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

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

Identifier	ReturnReference	Explanation
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SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

OMB No 1545-0047

2010

Open to Public Inspection

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

Name of the organization  
PIKEVILLE MEDICAL CENTER INC

Employer identification number  
61-0458376

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .	Yes	
1b	If "Yes," is it a written policy? . . . . .	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year  <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%    <input checked="" type="checkbox"/> 150%    <input type="checkbox"/> 200%    <input type="checkbox"/> Other _____%</div> b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . . <div><input type="checkbox"/> 200%    <input type="checkbox"/> 250%    <input type="checkbox"/> 300%    <input type="checkbox"/> 350%    <input checked="" type="checkbox"/> 400%    <input type="checkbox"/> Other _____%</div> c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care  4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .	Yes	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	Yes	
5c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .		No
6a	Does the organization prepare a community benefit report during the tax year? . . . . .	Yes	
6b	If "Yes," did the organization make it available to the public? . . . . .	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)			12,510,973	2,728,747	9,782,226	3 050 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			50,147,857	36,814,060	13,333,797	4 160 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs . . . . .			62,658,830	39,542,807	23,116,023	7 210 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .	276	2,606	216,613		216,613	0 070 %
f Health professions education (from Worksheet 5) . . . . .	9		1,007,024	433,769	573,255	0 180 %
g Subsidized health services (from Worksheet 6) . . . . .						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8) . . . . .	42	110	73,518		73,518	0 020 %
j Total Other Benefits . . . . .	327	2,716	1,297,155	433,769	863,386	0 270 %
k Total. Add lines 7d and 7j . . . . .	327	2,716	63,955,985	39,976,576	23,979,409	7 480 %

Part IICommunity 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
1Physical improvements and housing						
2Economic development						
3Community support	69	4,114	38,567	2,259	36,308	0 010 %
4Environmental improvements						
5Leadership development and training for community members	4	129	1,806		1,806	0 %
6Coalition building						
7Community health improvement advocacy	2	269	6,748		6,748	0 %
8Workforce development	33		733,137		733,137	0 230 %
9Other						
10Total	108	4,512	780,258	2,259	777,999	0 240 %

Part IIIBad 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	9,294,377
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	464,719
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	90,699,695
6	Enter Medicare allowable costs of care relating to payments on line 5	6	79,076,915
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	11,622,780
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
9b	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 IVManagement Companies and Joint Ventures

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



## Section A. Hospital Facilities

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

**Schedule H (Form 990) 2010**

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

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

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

Name and address	Type of Facility (Describe)
1 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, 6l, 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 II THE HOSPITAL'S MISSION STATEMENT, "TO PROVIDE QUALITY REGIONAL HEALTH CARE IN A CHRISTIAN ENVIRONMENT" DRIVES PMC'S EFFORTS AS WE CONCENTRATE ON THE PHYSICAL, MENTAL AND SPIRITUAL WELL BEING OF THE PUBLIC DURING FY 2011, PIKEVILLE MEDICAL CENTER REPORTED TAKING PART IN 106 DIFFERENT COMMUNITY BUILDING ACTIVITIES, AFFECTING OVER 4,243 PEOPLE AND TOTALING MORE THAN \$770,000 THESE ACTIVITIES FOCUSED ON PROMOTING THE HEALTH AND WELLNESS OF THE COMMUNITIES WE SERVE THROUGH HEALTH EDUCATION, AWARENESS, PREVENTION AND TREATMENT, AS WELL AS, WORKFORCE DEVELOPMENT, ECONOMIC DEVELOPMENT AND FUTURE PLANNING SOME OF THESE EVENTS LISTED UNDER THE COMMUNITY BUILDING ACTIVITIES SECTION INCLUDED CELEBRATION OF HOPE FOR BREAST CANCER SURVIVORS, FAMILY AND CONSUMER SCIENCES MEETING, PROFESSIONAL DEVELOPMENT DAY AT HARRY M CAUDILL LIBRARY, EASTER SUNRISE SERVICE AND HOLY WEEK SERVICES, A CHRISTMAS LIVE NATIVITY AND OVER 300 MEALS PER MONTH PROVIDED TO MEALS ON WHEELS

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE HOSPITAL HAS A POLICY OF PROVIDING CHARITY CARE TO PATIENTS WHO ARE UNABLE TO PAY SUCH PATIENTS ARE IDENTIFIED BASED ON FINANCIAL INFORMATION OBTAINED FROM THE PATIENT AND SUBSEQUENT ANALYSIS SINCE THE HOSPITAL DOES NOT EXPECT PAYMENT, ESTIMATED CHARGES FOR CHARITY ARE NOT REPORTED IN REVENUE THE COST TO CHARGE FACTOR USED IS 0.242 FROM WORKSHEET 2

Identifier	ReturnReference	Explanation
		PART III, LINE 8 NO SHORTFALL EXISTED IN FY 2011 THE SOURCE USED TO DETERMINE THE AMOUNT OF MEDICARE ALLOWABLE COSTS REPORTED FOR PART III, SECTION B, MEDICARE HAS BEEN PROVIDED FROM THE YEAR ENDED SEPT 30, 2011 REPORT HOSPITAL STATEMENT OF REIMBURSABLE COST

Identifier	ReturnReference	Explanation
		PART III, LINE 9B IF DETERMINED THAT A PATIENT MIGHT QUALIFY FOR AN INDIGENT PROGRAM, THE PATIENT IS SENT THE REQUIRED FORMS (FINANCIAL ASSISTANCE APPLICATION) TO APPLY FOR CHARITY ASSISTANCE WHEN THE PAPERWORK IS RETURNED BY THE PATIENT, THE APPLICATION IS SENT THROUGH THE ELIGIBILITY DETERMINATION REVIEW PROCESS IF THE APPLICATION IS APPROVED, THE ACCOUNT BALANCE IS THEN ADJUSTED BY THE AMOUNT ALLOWED BY THE CHARITY ELIGIBILITY GUIDELINES

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 IN ORDER TO ASSESS OUR COMMUNITY'S HEALTH-RELATED NEEDS, PIKEVILLE MEDICAL CENTER UTILIZES SEVERAL REPORTS LOOKING AT THE SERVICES THEY PROVIDE, IN COMPARISON TO OTHER HOSPITALS, AS WELL AS, REPORTS INDICATING THE SPECIALTIES THAT ARE IMPACTED BY PHYSICIAN REFERRALS PMC ALSO KEEPS A RECORD OF PREVIOUS COMMUNITY EVENTS HOSTED, TRACKING THEIR SUCCESS FOR EXAMPLE WHEN A FREE HEALTH SCREENING EVENT IS HELD, A RECORD IS KEPT OF THE NUMBER OF ATTENDEES INCLUDING THEIR RESULTS

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 3 PIKEVILLE MEDICAL CENTER USES SEVERAL DIFFERENT MEANS TO COMMUNICATE AND EDUCATE OUR PATIENTS ON ELIGIBILITY FOR FINANCIAL ASSISTANCE UNDER FEDERAL, STATE AND LOCAL GOVERNMENTS FIRST, A HANDOUT LABELED, "FINANCIAL SERVICES AND CONSULTATIONS" IS AVAILABLE TO EVERY PATIENT UPON REGISTRATION SECOND, THE MANDATORY CONSENT FORM HAS THE PATIENT'S ACKNOWLEDGEMENT STATEMENT, "I ACKNOWLEDGE RECEIPT OF INFORMATION ON DSH, KCHIP, BILLING AND INSURANCE PROCEDURES AND AIDS QUESTIONS / ANSWERS " THIRD, THE FIRST BILL A PATIENT RECEIVES INCLUDES A STATEMENT REGARDING HOW ONE CAN CONTACT A COUNSELOR, IF THE FINANCIAL ASSISTANCE IS NEEDED LASTLY, THE PATIENT ACCOUNTS STAFF AND PATIENT FINANCIAL COUNSELORS REGULARLY MAIL OUT DSH/PMC CHARITY APPLICATIONS THESE APPLICATIONS, ALONG WITH DIRECTIONS, ARE ALSO AUTOMATICALLY PRINTED OFF WHEN REGISTERING A SELF-PAY PATIENT THE PATIENT IS THEN DIRECTED TO OUR FINANCIAL COUNSELORS FOR FURTHER ASSISTANCE IN THE EVENT A PATIENT IS ADMITTED TO THE FACILITY, FINANCIAL COUNSELORS MEET WITH EACH TO DISCUSS POSSIBLE FINANCIAL ASSISTANCE OPPORTUNITIES ASSISTANCE FROM THE COUNSELORS BEGINS WITH THE APPLICATION AND CONTINUES THROUGH THE VERIFICATION PROCESS TO ALLOW EACH PATIENT TO TAKE ADVANTAGE OF THE AVAILABLE PROGRAMS</p>



Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 PIKEVILLE MEDICAL CENTER USES THE MOST RECENT U S CENSUS BUREAU DATA AND INFORMATION FROM THE KY STATE DATA CENTER WHEN TAKING INTO ACCOUNT THE GEOGRAPHIC AREA AND DEMOGRAPHIC CONSTITUENTS IT SERVES</p> <p>INFORMATION IS PULLED FROM OUR IMMEDIATE SERVICE AREA ENCOMPASSING A SEVEN COUNTY REGION - PIKE, FLOYD, LETCHER, JOHNSON, MAGOFFIN AND MARTIN COUNTIES IN KENTUCKY AND WEST VIRGINIA'S MINGO COUNTY ALL DATA PRESENTED HERE IS CURRENT AS OF THE 2010 U S CENSUS THE SEVEN COUNTY AREA CONTAINS A TOTAL POPULATION OF 205,451 INDIVIDUALS WITH A RELATIVELY EVEN DISTRIBUTION OF MALES (101,543) TO FEMALES (103,908) THE MEDIAN POPULATION AGE IS 39 8 YEARS OLD AND THE AVERAGE HOUSEHOLD SIZE IS 2 4 INDIVIDUALS PIKEVILLE MEDICAL CENTER RESIDES IN A MEDICALLY UNDERSERVED AND IMPOVERISHED AREA THE MEDIAN FAMILY INCOME FOR OUR REGION WAS \$30,212 IN 2009 WITH 16,695 OF THE 43,202 CHILDREN UNDER AGE 18 LIVING UNDER THE POVERTY LINE THE NUMBER OF HOUSEHOLDS WITH AN INCOME LOWER THAN \$25,000 WAS 37,820 PIKEVILLE MEDICAL CENTER SERVES AS A BEACON OF HOPE AND AN ECONOMIC BOOST TO THE MOUNTAIN COMMUNITY IN WHICH IT RESIDES THE CITY OF PIKEVILLE, KY WHERE THE HOSPITAL IS CENTERED IS HOME TO 6,361 INDIVIDUALS OVER 35% OF THE CITY'S RESIDENTS POSSESS A BACHELORS DEGREE OR HIGHER 32 9% OF THE CITY'S POPULATION WORKS IN EDUCATION, HEALTH CARE OR SOCIAL SERVICES</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 PIKEVILLE MEDICAL CENTER (PMC), NOW AFFILIATED WITH THE CLEVELAND CLINIC HEART SURGERY PROGRAM, IS KNOWN FOR ITS COMPASSIONATE EMPLOYEES, UNSURPASSED SERVICE, STAT E-OF-THE-ART TECHNOLOGY AND UNMATCHED GENEROSITY TO THE COMMUNITY KNOWN AS THE PREMIER HO SPITAL IN A MULTI-STATE REGION, PMC IS CONTINUALLY GROWING AND LOOKING FOR NEW WAYS TO OFF ER THE VERY BEST IN HEALTH CARE TO ITS PATIENTS AND THE BROADER POPULATION PIKEVILLE MEDI CAL CENTER'S MISSION "TO PROVIDE QUALITY REGIONAL HEALTH CARE IN A CHRISTIAN ENVIRONMENT" IS FULFILLED ON A DAILY BASIS AS THE STAFF EMPLOYS TEAMWORK WITH A SINCERE PASSION TO HELP OTHERS THROUGHOUT PIKEVILLE MEDICAL CENTER'S 87-YEAR HISTORY, THE HOSPITAL HAS UNDERGONE SUBSTANTIAL CHANGE STARTING AS A SMALL, RURAL, 50-BED FACILITY IN 1924, THE MEDICAL CENTE R HAS UNDERGONE MANY PHYSICAL CHANGES TODAY, THE HOSPITAL IS A COMPREHENSIVE 261-BED FACI LITY ENCOMPASSING 959,000 SQUARE FEET INCLUDING BOTH THE MAIN FACILITY AND SURROUNDING SUP PORTIVE SERVICES CURRENTLY PMC EMPLOYS NEARLY 2,600 PEOPLE, HAVING HIRED MORE THAN 700 EM PLOYEES DURING THE PAST YEAR PMC OFFERS MORE THAN 400 SERVICES THIS TREMENDOUS PHYSICAL GROWTH, ALONG WITH SOUND FINANCIAL LEADERSHIP, HAS ALLOWED PMC TO SIGNIFICANTLY EXPAND THE HEALTH CARE SERVICES OFFERED TO OUR REGION CURRENT SERVICES INCLUDE AN AWARD-WINNING, F ULL-SERVICE CANCER TREATMENT CENTER, A LEVEL IIII CHEST PAIN ACCREDITED HEART AND VASCULAR INSTITUTE, A 40-BED INPATIENT PHYSICAL REHABILITATION HOSPITAL, AN ACCREDITED STROKE CENT ER, STATE-OF-THE-ART EMERGENCY DEPARTMENT, TRAUMA CENTER, NEUROSCIENCE CENTER, LEVEL III N EONATAL INTENSIVE CARE UNIT, WOUND CARE CENTER, ORTHOPEDIC CENTER, WEIGHT LOSS SURGERY CEN TER, TWO SATELLITE SLEEP LAB FACILITIES, AN OUTPATIENT DIAGNOSTIC CENTER, SEVERAL FAMILY P HYSICIAN PRACTICES, AND A VARIETY OF SPECIALTY PHYSICIAN PRACTICES AS WELL AS AUGMENTING THE RANGE AND COMPLEXITY OF HEALTH CARE SERVICES PROVIDED TO PATIENTS IN THE AREA, PIKEVIL LE MEDICAL CENTER'S GROWTH HAS PLAYED AN INTEGRAL PART IN ENHANCING THE HOSPITAL'S OUTREAC H TO THE LOCAL COMMUNITY PMC TAKES PRIDE IN KEEPING THE PUBLIC INFORMED ABOUT INNOVATIVE MEDICAL ADVANCEMENTS THROUGH THE PUBLICATION OF A WEEKLY NEWSPAPER CALLED THE MEDICAL LEAD ER - THE REGION'S ONLY "GOOD NEWS" COMMUNITY NEWSPAPER MORE THAN 8,500 PAPERS ARE DISTRIB UTED WEEKLY TO 150+ LOCATIONS THROUGHOUT THE COUNTIES OF PIKE, FLOYD, LETCHER (KENTUCKY) A ND MINGO (WEST VIRGINIA) THE PAPER ALSO HAS NEARLY 4,000 EMAIL SUBSCRIBERS AND 2,000 SOCI AL MEDIA FOLLOWERS THIS FREE FULL-SERVICE NEWSPAPER ALLOWED PMC TO GIVE OVER \$180,833 COM MUNITY BENEFIT EXPENSE DURING FY 2011 PMC ALSO PROVIDES A VARIETY OF EDUCATIONAL, WELLNES S AND PREVENTIVE HEALTH SERVICES SUCH ACTIVITIES AND EVENTS INCLUDE INDIGENT CARE ASSIST ANCE, EDUCATIONAL/TRAINING SESSIONS, SUPPORT GROUPS, HEALTH FAIRS, FREE HEALTH SCREENINGS AND OTHER COMMUNITY EVENTS PIKEVILLE MEDICAL CENTER CONSIDERS ITS OUTREACH EFFORTS TO THE PUBLIC AN ESSENTIAL PART OF ITS CHRISTIAN MISSION, AS IT SEEKS NOT ONLY TO TREAT THE SICK AND INJURED DURING THEIR TIME OF NEED, BUT ALSO TO IMPROVE THE REGION'S HEALTH CARE CHAR ITY CARE PIKEVILLE MEDICAL CENTER SET A NEW RECORD FOR CHARITY CARE IN FY 2011 THROUGH DE FINED POLICIES AND PROCEDURES, PMC RECORDED UNCOMPENSATED CHARITY OF \$38,410,981(SERVICES AT HOSPITAL'S ESTABLISHED RATES) HEALTH CARE SUPPORT SERVICES BLOOD DRIVES - PIKEVILLE M EDICAL CENTER HAS A GROUP OF DEDICATED EMPLOYEES WHO PARTICIPATE ON THE HOSPITAL'S BLOOD D RIVE COMMITTEE PREPARATION FOR BLOOD DRIVES INCLUDE RESERVING A LOCATION, PLACING SET-UP AND TAKE-DOWN WORK ORDERS, REGISTERING DONORS AND ASSURING THE EVENT IS A SUCCESS BLOOD DRIVES ARE HELD QUARTERLY AND CONDUCTED IN ACCORDANCE WITH THE KENTUCKY BLOOD CENTER (KBC) IN FY 2011, PMC HELD SIX BLOOD DRIVES AND DONATED 292 UNITS OF BLOOD THESE GENEROUS DON ATIONS ALLOWED PMC DONORS TO SAVE NEARLY 876 LIVES MEALS ON WHEELS - PIKEVILLE MEDICAL CE NTER PROVIDED 4,014 MEALS DURING FY 2011 AND INCURRED MORE THAN \$23,000 IN EXPENSES RELATE D TO THIS PROGRAM FOOD DONATIONS - PMC PROVIDED MORE THAN 500 LUNCH AND DINNER GUEST TRAY VOUCHERS TO PATIENTS OR CAREGIVERS DURING FY 2011 THIS SERVICE ALLOWED PMC TO GIVE BACK OVER \$3,000 TO ITS PATRONS INDIGENT SUPPORT SERVICES - SEVERAL PATIENTS NEED FINANCIAL AS SISTANCE WITH PRESCRIBED MEDICATIONS OR HEALTH CARE EQUIPMENT AT THE TIME OF DISCHARGE IN HOPES OF RELIEVING ANY FINANCIAL BURDEN, PIKEVILLE MEDICAL CENTER'S CHAPLAIN SERVICES AND CASE MANAGEMENT DEPARTMENTS PROVIDED 355 PRESCRIPTIONS AT A VALUE OF MORE THAN \$15,300 CO MMUNITY FINANCIAL DONATIONSIN 2011, PIKEVILLE MEDICAL CENTER ONCE AGAIN PROVED TO BE AN ES TABLISHED COMMUNITY LEADER ENCOURAGING EMPLOYEE PARTICIPATION IN LOCAL ACTIVITIES AND EVE NTS, PMC ALSO OFFERED FINANCIAL SUPPORT TO AREA ORGANIZATIONS AND IMPORTANT CAUSES, GIVING MORE THAN \$73,000 PIKEVILLE MEDICAL CENTER WAS PROUD TO HELP THE FOLLOWING ORGANIZATIONS AFTER BREAST CANCER SUPPORT GROUPALZHEIMER'S ASSO</p>

Identifier	ReturnReference	Explanation
		CIATIONAMERICAN CANCER SOCIETYAMERICAN HEART ASSOCIATIONFLOYD COUNTY CHAMBER OF COMMERCEFL OYD COUNTY EMERGENCY AND RESCUE SQUADGOD'S FOOD PANTRYHILLBILLY CHRISTMAS IN JULY INC JEN NY WILEY THEATREJOHNS CREEK DISABLED AMERICAN VETERANSTHE KENNY HUFFMAN TENNIS CLASSICKENT UCKY CHAMBER OF COMMERCEKENTUCKY REGIONAL MEN'S CHORUSMARCH OF DIMESOUR LADY OF THE MOUNTA INS SCHOOLUNIVERSITY OF PIKEVILLE PIKEVILLE MAIN STREETPIKEVILLE ROTARY CLUBSOUTHEAST KENT UCKY CHAMBER OF COMMERCEUNIVERSITY OF KENTUCKY SUMMIT SCHOLARSHIP FUNDWILLOWBROOK YOUTH GO LF PROGRAMWYMT-TV MT CLASSIC SCHOLARSHIP FUNDHEALTH SCREENINGS PIKEVILLE MEDICAL CENTER H ELD SEVERAL TYPES OF HEALTH SCREENINGS FOR THE COMMUNITY IN 2011 AMONG THE SERVICES WERE BLOOD PRESSURE, BLOOD SUGAR, OXYGEN SATURATION AND CHOLESTEROL CHECKS DIFFERENT FORMS OF FREE EDUCATIONAL LITERATURE WERE ALSO DISTRIBUTED ALL SCREENINGS WERE HOSTED BY PMC PHYSI CIANS, NURSES AND SUPPORT STAFF IN FY 2011, MORE THAN 544 PEOPLE PARTICIPATED IN PMC RELA TED SCREENINGS, COSTING THE HOSPITAL NEARLY \$10,000 PMC HEALTH SCREENINGS INCLUDED - HIL LBILLY DAYS FIRST AID BOOTH & SCREENING STATION- DIABETES ALERT DAY- ELKHORN CITY PUBLIC L IBRARY STREET FAIR- FLOYD, PIKE AND MARROWBONE SENIOR CITIZEN CENTERS SCREENING- PROSTATE & COLON CANCER SCREENING- SKIN CANCER SCREENING- STROKE AWARENESS SCREENINGCOMMUNITY HEALT H EDUCATION LECTURES - PIKEVILLE MEDICAL CENTER'S STAFF REMAINS ACTIVE IN PRESENTING SEVER AL TOPICS TO THE COMMUNITY REPRESENTATIVES FROM DIFFERENT DEPARTMENTS SPEAK ON REQUEST TO LOCAL CIVIC CLUBS, SCHOOLS, AND MEDICAL PROFESSIONALS AMONG THE DIFFERENT LECTURES /PRES ENTATIONS PMC EMPLOYEES TOOK PART IN DURING FY 2011 WERE - SENIOR CITIZEN CENTER DIABETES CLASSES IN MARTIN AND PIKE COUNTIES -HEART HEALTH AWARENESS EDUCATION PRESENTED AT THE HOS PITAL'S ANNUAL HEART HEALTHY FASHION SHOW & HEALTH FAIR -STROKE & TRAUMA EDUCATION -HEALTH TALKS, AIRED ON LOCAL RADIO AND TV STATIONS, HIGHLIGHTING SELECTED PMC HEALTH CARE PROFES SIONALS AND COVERING TOPICS SUCH AS MEDICAL CONCERNS, PREVENTION AND VARIOUS SERVICES OFF ERED AT PMC -4-WEEK PREPARED CHILDBIRTH CLASSESOTHER EDUCATIONAL PROGRAMS PMC PARTICIPATE S IN ARE FLOYD/PIKE ASAP, HEALTHY STEPS/HEC, LOCAL PRIDE MEETINGS AND STROKE/SEPSIS EDUCAT ION THROUGH THEIR 120 COMMUNITY EDUCATION EFFORTS, PIKEVILLE MEDICAL CENTER REACHED MORE THAN 800 PEOPLE AT A COST OF MORE THAN \$18,000

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 HEALTH PROFESSIONS EDUCATION STUDENT ROTATIONS - PIKEVILLE MEDICAL CENTER SERVES AS A CLINICAL TRAINING SITE FOR STUDENTS IN HEALTH CARE RELATED FIELDS FROM REGIONAL UNIVERSITIES AND COLLEGES DURING FY 2011, PMC CONTRACTED OR AFFILIATED WITH 48 INSTITUTIONS AND RECEIVED 528 STUDENTS IN CLINICAL ROTATION THE SCHOOLS CONTRACTED BY PMC INCLUDED APPALACHIA COLLEGE OF PHARMACYBELFRY AREA TECHNOLOGY CENTERBELLARMINE UNIVERSITYDEVRY UNIVERSITYDUKE UNIVERSITYEASTERN KENTUCKY UNIVERSITYEMERGENCY MEDICAL EDUCATORSFRONTIER SCHOOL OF MIDWIFERY AND FAMILY NURSINGHUNTINGTON JUNIOR COLLEGEHUTCHINSON COMMUNITY COLLEGEIOWA COLLEGE ACQUISITION CORP KAPLAN UNIVERSITY JEFFERSON COLLEGE OF HEALTH SERVICES KENTUCKY COMMUNITY TECHNICAL COLLEGE SYSTEM - WHITESBURG CAMPUSLINCOLN MEMORIAL UNIVERSITY LINDSEY WILSON COLLEGEMARSHALL UNIVERSITY MERIDIAN INSTITUTE OF SURGICAL ASSISTING MIDWAY COLLEGE SCHOOL OF PHARMACY MILLIGAN COLLEGE MOREHEAD STATE UNIVERSITY NATIONAL COLLEGE OF BUSINESS - LEXINGTON CAMPUS NATIONAL COLLEGE OF BUSINESS NORTHERN KENTUCKY UNIVERSITY NOVA SOUTHEASTERN UNIVERSITY PHELPS VOCATIONAL SCHOOLPHLEBOTOMY EDUCATION, INC SAINT LOUIS UNIVERSITY SHAWNEE STATE UNIVERSITY SOUTH DAKOTA STATE UNIVERSITY OF NURSING SOUTH UNIVERSITY SCHOOL OF PHARMACY SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGESOUTHWEST VIRGINIA COMMUNITY COLLEGE SPENCERIAN COLLEGE TENNESSEE TECHNOLOGY CENTER AT ELIZABETHTON

Identifier	ReturnReference	Explanation
DESCRIPTION OF AFFILIATED HEALTH CARE (CONTINUED)	SCH H PART VI LINE 6	<p>UNION UNIVERSITY UNIVERSITY OF CHARLESTON  UNIVERSITY OF CINCINNATI UNIVERSITY OF KENTUCKY  UNIVERSITY OF NORTH CAROLINA UNIVERSITY OF LOUISVILLE UNIVERSITY OF PIKEVILLE VIRGINIA COMMONWEALTH UNIVERSITY AL WASHBURN UNIVERSITY WEBER STATE UNIVERSITY WEST VIRGINIA UNIVERSITY WESTERN KENTUCKY UNIVERSITY WHEELING JESUIT UNIVERSITY DURING FY 2011, PIKEVILLE MEDICAL CENTER OFFERED SEVEN DIFFERENT CONTINUING MEDICAL EDUCATION CLASSES COSTING MORE THAN \$11,000 THESE PRESENTATIONS BENEFIT HEALTH CARE PROFESSIONALS THROUGHOUT THE REGION AMONG THE CLASSES OFFERED WERE A HEART SYMPOSIUM, MELANOMA CARE CONFERENCE AND A NEUROSCIENCE SYMPOSIUM RESIDENCY PROGRAM-A-OPTIC (APPALACHIAN OSTEOPATHIC POSTGRADUATE TRAINING INSTITUTE CONSORTIUM) - PIKEVILLE MEDICAL CENTER IS A MEMBER OF A GROUP OF MEDICAL FACILITIES AND EDUCATIONAL INSTITUTIONS THAT HAVE JOINED TOGETHER TO BRING INTERN AND RESIDENCY PROGRAMS TO THE AREA BY ALLOWING MEDICAL STUDENTS TO PRACTICE AT ITS HOSPITAL-RUN FAMILY CLINIC, PMC IS COMMITTED TO HELP EDUCATE AND RETAIN COMPETENT/SKILLED PHYSICIANS IN OUR COMMUNITY AND REGION PMC'S TOTAL COMMUNITY BENEFIT EXPENSE IN FY 2011 FOR TRAINING INTERNS, RESIDENTS AND FELLOWS TOTALED MORE THAN \$562,000 PHYSICIAN RECRUITMENT PIKEVILLE MEDICAL CENTER MAINTAINS AN ACTIVE PHYSICIAN RECRUITMENT PROGRAM BY LOCATING HIGH QUALITY PHYSICIANS AND MAKING THEM A PART OF THE PMC TEAM THE HOSPITAL'S RECRUITMENT EFFORTS ARE ESSENTIAL TO ENHANCING THE HEALTH AND WELL BEING OF OUR COMMUNITY AND REGION SURROUNDING COMMUNITY HOSPITALS LOOK TO OUR HOSPITAL TO OFFER THE SPECIALTIES AND SUB-SPECIALTIES THEIR FACILITIES DO NOT PROVIDE DURING FY 2011, PMC PHYSICIAN RECRUITERS ATTENDED A TOTAL OF 14 RECRUITMENT CONFERENCES LOCATED ALL OVER THE U S PIKEVILLE MEDICAL CENTER RECRUITED AND SIGNED A TOTAL OF 26 NEW PHYSICIANS THE HOSPITAL ALSO WELCOMED SIX NEW NURSE PRACTITIONERS AND ONE PHYSICIAN ASSISTANT AMONG THE DIFFERENT SPECIALTIES THE RECRUITED PHYSICIANS PRACTICE ARE - CARDIOVASCULAR SURGERY- CRITICAL CARE- FAMILY PRACTICE- GENERAL SURGERY - GYNECOLOGICAL ONCOLOGY- HAND SURGERY- INTERNAL MEDICINE (HOSPITALISTS)- INTERVENTIONAL CARDIOLOGY- NEPHROLOGY- OTOLARYNGOLOGY- OBSTETRICS/GYNECOLOGY- PEDIATRIC ENDOCRINOLOGY- PHYSIATRY- PULMONOLOGY- RHEUMATOLOGY- SPORTS MEDICINE- UROLOGY CONTINUING HEALTH PROFESSIONALS EDUCATION PIKEVILLE MEDICAL CENTER HAS AN ACTIVE MEDICAL LIBRARY STAFF THAT COORDINATES AND OVERSEES MANY OF THE CONTINUING MEDICAL EDUCATION (CME) HOURS OFFERED AT THE HOSPITAL MOST CMES ARE OPEN TO NOT ONLY OUR STAFF, BUT TO OTHER MEDICAL PROFESSIONALS IN THE COMMUNITY THESE EDUCATIONAL OPPORTUNITIES ARE FREE OF CHARGE TO ALL WHO ATTEND IN FY 2011, PMC OFFERED SEVEN DIFFERENT CMES COSTING MORE THAN \$11,000 THE EDUCATION OPPORTUNITIES OFFERED BY THE HOSPITAL LAST YEAR COVERED NUMEROUS TOPICS, INCLUDING - CARDIOTHORACIC &amp; VASCULAR UPDATE- BASICS OF CRITICAL CARE NUTRITION- MELANOMA- PALLIATIVE CARE- HIPPA UPDATE- ESSENTIALS FOR YOUR NEUROSCIENCE PRACTICES SUPPORT GROUPS PMC SPONSORS AND PARTICIPATES IN SEVERAL SUPPORT GROUPS WITHIN OUR COMMUNITY IN FY 2011, PMC TOOK PART IN 60 EVENTS, GIVING NEARLY \$4,500 TOWARDS BENEFITING THE FOLLOWING GROUPS - AFTER BREAST CANCER SUPPORT GROUP- COPING WITH DIABETES SUPPORT GROUP- HEC/HEALTHY STEPS TEACHING THE IMPORTANCE OF HEALTHY EATING HABITS &amp; EXERCISE TO REDUCE CHILDHOOD OBESITY- LIFELINE SUPPORT GROUP- MAN TO MAN SUPPORT GROUP FOR PROSTATE CANCER PATIENTS AND SUPPORT PERSONS- WEIGHT LOSS SURGERY SUPPORT GROUP</p>

Additional Data

Software ID:

Software Version:

EIN: 61-0458376

Name: PIKEVILLE MEDICAL CENTER INC

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? <b>32</b>	
Name and address	Type of Facility (Describe)
ORTHOPEDIC PHYSICIAN PRACTICE 184 S MAYO TRAIL PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
CARDIOTHORACIC PHYSICIAN PRACTICE 119 WEDDINGTON BR RD PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
HOME HEALTH SERVICES 1370 S MAYO TRAIL PIKEVILLE, KY 41501	HOME HEALTH SERVICES
OPHTHALMOLOGY PHYS PRACTICE 1098 S MAYO TRAIL STE 305 PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
GENERAL SURGERY PHYSICIAN PRACTICE 1098 S MAYO TRAIL STE 305 PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
HOME MEDICAL EQUIPMENT 1370 S MAYO TRAIL PIKEVILLE, KY 41501	MEDICAL EQUIPMENT CENTER
UROLOGY PHYSICIAN PRACTICE 255 CHURCH ST STE 202 PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
GYNECOLOGY PRACTICE 246 KY RT 979 HAROLD, KY 41635	PHYSICIAN PRACTICE
GENERAL SURGERY PHYSICIAN PRACTICE 387 TOWN MTN RD STE 106 PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
BARIATRIC SURGERY PHYSICIAN PRACTICE 1098 S MAYO TRAIL STE 301 PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
ONCOLOGY PHYSICIAN PRACTICE 439 HAMBLEY BLVD PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
PRESTONSBURG RADIOLOGY 126 COLLINS CIR UNIT K PRESTONSBURG, KY 41653	IMAGING CENTER
ENDOCRINOLOGY PRACTICE 1098 S MAYO TRAIL PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
WHITESBURG SLEEP LAB 60 MAIN STREET WHITESBURG, KY 41858	SLEEP LAB
WOMENS CARE CENTER 387 TOWN MTN RD STE 206 PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
PRIMARY CARE PRACTICE - PIKEVILLE WALMAR 251 CASSIDY BLVD PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
PRESTONSBURG SLEEP LAB 206 COLLINS CIR UNIT 3 PRESTONSBURG, KY 41653	SLEEP LAB
NEPHROLOGY PHYSICIAN PRACTICE 126 TRIVETTE DR STE 202 PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
ENT PHYSICIAN PRACTICE 1098 S MAYO TRAIL STE 304 PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
PRIMARY CARE PRACTICE - SHELBY VALLEY 6800 US HWY 23 S STE 3 PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
PRIMARY CARE PRACTICE - WHITESBURG WALMA 350 IRONWOOD DRIVE WHITESBURG, KY 41858	PHYSICIAN PRACTICE
ULTRASOUND-OBGYN PHYSICIAN PRACTICE 246 KY RT 979 HAROLD, KY 41635	PHYSICIAN PRACTICE
PRIMARY CARE PRACTICE - MOUTHCARD 137 N LEVISA RD MOUTHCARD, KY 41548	PHYSICIAN PRACTICE
PRIMARY CARE PRACTICE - HAROLD 246 KY RT 979 HAROLD, KY 41635	PHYSICIAN PRACTICE
SPORTS MEDICINE PHYSICIAN PRACTICE 184 S MAYO TRAIL PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
PRIMARY CARE PRACTICE- NORTON WALMART 780 COMMONWEALTH DR NORTON, VA 24273	PHYSICIAN PRACTICE
ONCOLOGY PHYSICIAN PRACTICE -PAINTSVILLE 830 SOUTH MAYO TRAIL PAINTSVILLE, KY 41240	PHYSICIAN PRACTICE
RHEUMATOLOGY PHYSICIAN PRACTICE 1370 S MAYO TRAIL PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
RHEUMATOLOGY PHYSICIAN PRACTICE - PAIN 830 SOUTH MAYO TRAIL PAINTSVILLE, KY 41240	PHYSICIAN PRACTICE
PEDIATRIC ENDOCRINOLOGY PRACTICE 140 ADAMS LANE STE 600 PIKEVILLE, KY 41501	PHYSICIAN PRACTICE
OPHTHALMOLOGY PHYS PRACTICE - GRUNDY 1193 PLAZA DRIVE GRUNDY, VA 24614	PHYSICIAN PRACTICE
CARDIOLOGY PRACTICE-HAZARD 474 VILLAGE LANE HAZARD, KY 41701	PHYSICIAN PRACTICE

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  
PIKEVILLE MEDICAL CENTER INC

Employer identification number  
61-0458376

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) JENNY WILEY THEATRE PO BOX 22 PRESTONSBURG, KY 41653	61-0667976	501C3	11,200				SPONSORSHIP FOR "RAGS TO RICHES" AND "A CHRISTMAS STORY"
(2) WILLOWBROOK COUNTRY CLUB PO BOX 165 GRUNDY, VA 24164	54-0837540		10,000				GRAND SPONSOR YOUTH GOLF PROGRAM
(3) AMERICAN HEART ASSOCIATION 545 NORTH HIGH ST COLUMBUS, OH 43214	13-5613797	501C3	10,000				DONATION FOR 2011 CENTRAL KY HEART BALL
(4) PIKEVILLE MAIN STREET PROGRAM INC 178 COLLEGE STREET PIKEVILLE, KY 41501	61-1273907	501C3	10,000				DONATION FOR EAST KY LEADERSHIP CONFERENCE
(5) SOUTHEAST KENTUCKY CHAMBER OF COMMERCE 787 HAMBLEY BLVD PIKEVILLE, KY 41501	61-0544068	501C3	6,000				PREMIERE SPONSORSHIP FOR ANNUAL AWARDS CEREMONY & BANQUET
(6) KENTUCKY CHAMBER OF COMMERCE 464 CHENAULT ROAD FRANKFORT, KY 40601	61-0405718		5,000				SILVER SPONSOR FOR ANNUAL MEETING AND AWARDS

2

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

4

3

Enter total number of other organizations . . . . .

2

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) ASSISTANCE FOR UNINSURED PATIENTS FOR PRESCRIPTIONS, CAFE VOUCHERS, AND CANCER TRAVEL ASSISTANCE. THERE WERE 355 PRESCRIPTIONS PROVIDED, 501 CAFE VOUCHERS PROVIDED, AND 55 RECIPIENTS OF TRAVEL ASSISTANCE.	911	21,041			

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
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 ALL GRANTS ARE PROVIDED TO PUBLIC CHARITIES FOR GENERAL SUPPORT PIKEVILLE MEDICAL CENTER, INC DOES NOT MONITOR THE USE OF THESE FUNDS BY THESE PUBLIC CHARITIES



Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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.

Name of the organization PIKEVILLE MEDICAL CENTER INC	Employer identification number  61-0458376
--	--

Part I

Questions Regarding Compensation

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

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

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

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

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

**Part III**   **Supplemental Information**

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

Identifier	Return Reference	Explanation
	PART I, LINE 4A	JERRY JOHNSON RECEIVED SEVERANCE PAYMENTS TOTALING \$57,840, AND DEBRA HAMPTON RECEIVED SEVERANCE PAYMENTS TOTALING \$13,846 DURING THE 2010 CALENDAR YEAR.
	PART I, LINE 5	DR. HALL AND DR. PUGH EARN QUARTERLY BONUSES BASED ON A PERCENTAGE OF THE NET COLLECTIONS OF THE PHYSICIANS' PRACTICES OVER 150% OF THEIR BASE COMPENSATION.

Software ID:  
Software Version:  
EIN: 61-0458376  
Name: PIKEVILLE MEDICAL CENTER INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
WALTER E MAY	(i) (ii)	515,827 0	95,000 0	6,180 0	11,000 0	18,029 0	646,036 0	0 0
MICHELLE HAGY	(i) (ii)	217,213 0	12,532 0	697 0	4,603 0	17,249 0	252,294 0	3,249 0
SUSAN SCHELL	(i) (ii)	155,000 0	7,924 0	691 0	1,747 0	16,762 0	182,124 0	1,291 0
CHERYL HICKMAN	(i) (ii)	187,418 0	25,770 0	1,545 0	11,413 0	17,306 0	243,452 0	3,019 0
WILLIAM JOHNSON	(i) (ii)	263,506 0	100 0	5,265 0	10,131 0	17,613 0	296,615 0	0 0
DEBRA HAMPTON	(i) (ii)	206,006 0	11,891 0	15,125 0	7,385 0	17,497 0	257,904 0	3,333 0
JUANITA DESKINS	(i) (ii)	219,400 0	11,050 0	960 0	3,893 0	17,686 0	252,989 0	2,666 0
PEGGY JUSTICE	(i) (ii)	155,000 0	9,216 0	691 0	9,497 0	17,043 0	191,447 0	2,583 0
TERENCE FARRELL	(i) (ii)	200,000 0	11,891 0	681 0	3,985 0	17,497 0	234,054 0	3,333 0
DEBORAH PUCKETT	(i) (ii)	147,014 0	8,741 0	1,006 0	11,948 0	9,605 0	178,314 0	2,450 0
BILL HARRIS MD	(i) (ii)	800,500 0	624 0	1,980 0	11,000 0	18,341 0	832,445 0	0 0
DUANE DENSLER MD	(i) (ii)	700,192 0	183,795 0	11,958 0	8,250 0	18,015 0	922,210 0	0 0
NORMAN MAYER MD	(i) (ii)	700,192 0	160,778 0	111,521 0	8,250 0	17,489 0	998,230 0	0 0
KEITH HALL MD	(i) (ii)	565,300 0	514,213 0	270 0	8,250 0	17,475 0	1,105,508 0	0 0
KEVIN PUGH MD	(i) (ii)	625,124 0	288,777 0	270 0	8,250 0	17,475 0	939,896 0	0 0
DANNY HARRIS	(i) (ii)	100,384 0	2,724 0	619 0	1,691 0	11,651 0	117,069 0	0 0
JERRY JOHNSON	(i) (ii)	57,840 0	4,177 0	201,067 0	3,856 0	17,665 0	284,605 0	4,177 0

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
PIKEVILLE MEDICAL CENTER INC

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

Employer identification number  
61-0458376

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 CITY OF PIKEVILLE KY	61-6001897	72134PAR3	04-27-2011	90,370,651	SEE BELOW		X		X		X
B CITY OF PIKEVILLE KY	61-6001897	72134PAS1	04-27-2011	45,615,542	SEE BELOW		X		X		X

Part II

Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	90,370,651	45,615,542		
4	Gross proceeds in reserve funds	3,563,671			
5	Capitalized interest from proceeds	3,597,734	3,597,734		
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	1,328,586	297,917		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	21,132,972	12,955,685		
11	Other spent proceeds	44,236,511			
12	Other unspent proceeds	20,108,911	31,901,073		
13	Year of substantial completion				
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No
		X		X	
			X		X
			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	1 290 %		0 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %		0 %					
6	Total of lines 4 and 5	1 290 %		0 %					
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
		THE BONDS AND NOTES WERE ISSUED FOR THE PURPOSES OF PROVIDING FUNDS TO BE USED TO 1)FINANCE A PORTION OF THE COSTS OF CERTAIN ADDITIONS, RENOVATIONS, IMPROVEMENTS AND EQUIPMENT FOR PIKEVILLE MEDICAL CENTER 2)REFUND KY ECONOMIC DEVELOPMENT FINANCE AUTHORITY HOSPITAL REVENUE AND REFUND REVENUE BONDS, SERIES 1997 3)RETIRE CERTAIN OUTSTANDING TAXABLE DEBT 4)FUND A DEBT SERVICE RESERVE FUND 5)FUND CAPITALIZED INTEREST DURING CONSTRUCTION OF THE PROJECT AND 6)PAY COST OF ISSUANCE OF THE BONDS

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.

OMB No 1545-0047  
**2010**  
Open to Public Inspection

Name of the organization  
PIKEVILLE MEDICAL CENTER INC

Employer identification number  
61-0458376

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
(1) NORMAN MAYER MD LOAN TO DR MAYER FROM PMC FOR REPAYMENT OF FINANCIAL OBLIGATION		X	331,995	31,995		No		No	Yes	
Total . . . . . ▶ \$				31,995						

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
See Additional Data Table					

**Part V**

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

Identifier	Return Reference	Explanation
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Additional Data

Software ID:

Software Version:

EIN: 61-0458376

Name: PIKEVILLE MEDICAL CENTER INC

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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
A&M DISTRIBUTING	ENTITY OF WHICH WALTER E MAY'S SON IS AN OFFICER	432	PIKEVILLE MEDICAL CENTER PURCHASES BEVERAGE PRODUCTS FROM ENTITY FOR RESALE IN ITS GRILL		No
VICKI BELL	DAUGHTER-IN-LAW OF HOBART JOHNSON, PMC BOARD MEMBER	11,370	PIKEVILLE MEDICAL CENTER PURCHASES CATERING SERVICES FOR HOSPITAL FUNCTIONS FROM THIS VENDOR		No
COMMUNITY TRUST BANK	ENTITY OF WHICH BOARD MEMBERS HAVE BUSINESS RELATIONSHIPS	3,663,762	HOBART JOHNSON AND DAVID COLLINS SERVE AS BOARD MEMBERS OF BOTH ENTITIES SERVICES PROVIDED BY COMMUNITY TRUST BANK TO PIKEVILLE MEDICAL CENTER - INTEREST INCOME BANKING SERVICES & FUNDS IN TRUST, \$996,269 -SAVINGS BONDS PURCHASED FOR EMPLOYEES, \$3,400 -SAFE DEPOSIT BOX FEES/LINE OF CREDIT FEES/BOND ACCT MGMT FEES, \$5,065 - INSTALLMENT LOAN PAYMENTS, \$2,643,277 - ADVERTISING INCOME-MEDICAL LEADER PUBLICATION SOLELY OWNED BY PIKEVILLE MEDICAL CENTER, \$15,751		No
EAST KY BROADCASTING AND EAST KY RADIO NETWORK (TOTAL OF NINE RADIO STATION	ENTITIES MORE THAN 35% OWNED BY WALTER E MAY, PMC PRESIDENT/CEO	621,659	ENTITIES PROVIDE ADVERTISING SERVICES TO PMC, \$605,915 -ENTITIES PROVIDE ADVERTISING INCOME-MEDICAL LEADER PUBLICATION SOLELY OWNED BY PIKEVILLE MEDICAL CENTER, \$15,744		No
TINA GAUNT MD	WIFE OF WILLIAM GAUNT, M D , PMC BOARD MEMBER	23,288	TINA GAUNT, M D RENTS PHYSICIAN OFFICE SPACE FROM PIKEVILLE MEDICAL CENTER		No
KVVV TRAFFIC CONTROL	ENTITY OF WHICH T T COLLEY'S SON IS THE OWNER	14,600	ENTITY PROVIDES PARKING LOT STRIPING SERVICES TO PIKEVILLE MEDICAL CENTER		No
MESA-ER PHYSICIAN GROUP	ENTITY OF WHICH SUE SMALLWOOD'S STEP GRANDSON IS THE MEDICAL DIRECTOR	490,018	THE STEP GRANDSON OF PMC BOARD MEMBER SUE SMALLWOOD IS PIKEVILLE MEDICAL CENTER EMERGENCY DEAPARTMENT MEDICAL DIRECTOR AND AN EMPLOYEE FOR MESA MESA PROVIDES EMERGENCY DEPARTMENT PHYSICIAN SERVICES FOR PIKEVILLE MEDICAL CENTER		No
PAM MAY LAW FIRM PSC	ENTITY MORE THAN 35% OWNED BY WIFE OF WALTER E MAY, PMC PRESIDENT/CEO	1,152,258	FIRM PROVIDES LEGAL SERVICES TO PIKEVILLE MEDICAL CENTER		No
PIKEVILLE RADIOLOGY	ENTITY MORE THAN 35% OWNED BY TWO PMC BOARD MEMBERS	40,796	ALEX POULOS, M D & DENNIS HALBERT, M D ARE PARTNERS OF PIKEVILLE RADIOLOGY WITH WHOM PIKEVILLE MEDICAL CENTER CONTRACTS WITH FOR RADIOLOGY SERVICES		No
T&C CONSTRUCTION	ENTITY OWNED BY T T COLLEY, PMC BOARD MEMBER	7,200	ENTITY RENTS OFFICE SPACE FROM PIKEVILLE MEDICAL CENTER		No
US BANK	ENTITY OF WHICH ALEX POULOS, M D IS A BOARD MEMBER	285,290	SERVICES PROVIDED BY US BANK TO PIKEVILLE MEDICAL CENTER - INSTALLMENT LOAN PAYMENTS, 198,023 -RENT, \$87,078 -ADVERTISING INCOME-MEDICAL LEADER PUBLICATION SOLELY OWNED BY PMC, \$189		No
ANDREA ALLARA	DAUGHTER OF JOE DEAN ANDERSON, PMC BOARD MEMBER	42,956	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS RADIOLOGY COORDINATOR		No

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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
ROBERT BELL	STEP SON OF HOBART JOHNSON, PMC BOARD MEMBER	79,281	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS NUTRITIONAL SERVICES HEAD CHEF		No
CAMILLA DAMRON	DAUGHTER OF JO NELL ROBINSON, PMC BOARD MEMBER	76,089	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS A SPEECH LANGUAGE PATHOLOGIST		No
LIAM FARRELL	SON OF TERENCE FARRELL, PMC KEY EMPLOYEE	22,326	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS A REGISTRAR		No
SARAH HARRIS	DAUGHTER OF CHERYL HICKMAN, PMC KEY EMPLOYEE	46,142	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS IT-PRACTICE PROJECT MANAGER		No
ASHLEY COLLINS JOHNSON	DAUGHTER OF DAVID COLLINS, PMC BOARD MEMBER	62,909	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS MANAGER-EMPLOYEE RELATIONS		No
CINDY MAY JOHNSON	DAUGHTER OF WALTER E MAY, PMC PRESIDENT/CEO	94,987	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS DIRECTOR-MEDICAL LEADER/PUBLIC RELATIONS		No
RANDY L JOHNSON	SON IN LAW OF WALTER E MAY, PMC PRESIDENT/CEO	60,879	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS CHAPLAIN		No
BRANDI MAY	DAUGHTER IN LAW OF WALTER E MAY, PMC PRESIDENT/CEO	50,354	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS PI OUTCOME SPECIALIST		No
KAMINSKI ROBINSON	HUSBAND OF JO NELL ROBINSON, PMC BOARD MEMBER	67,613	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS DIRECTOR-CHAPLAIN SERVICES		No
ANDREA ROBINETTE SHOWALTER	STEP DAUGHTER OF WALTER E MAY, PMC PRESIDENT/CEO	16,527	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS PHYSICIAN RECRUITER		No
COLLEY STEVENS	GRANDSON OF T T COLLEY, PMC BOARD MEMBER	35,631	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS ASSISTANT DIRECTOR - VALET SERVICES		No
CORDELL WEATHERFORD	GRANDSON IN LAW OF WLATER E MAY, PMC PRESIDENT/CEO	52,993	EMPLOYED BY PIKEVILLE MEDICAL CENTER AS DIRECTOR-CUSTOMER SERVICE/EMPLOYEE DEVELOPMENT		No

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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
CAROLINA WEATHERFORD DBA CLW EDITIN	GRANDDAUGHTER OF WALTER E MAY, PMC PRESIDENT/CEO	10,000	ENTITY PROVIDES PROOFREADING SERVICES FOR PIKEVILLE MEDICAL CENTER'S MEDICAL LEADER PUBLICATION		No
CORNERSTONE REAL ESTATE GROUP LLC	ENTITY OF WHICH PEGGY JUSTICE, PMC KEY EMPLOYEE IS BROKER	3,300	ENTITY PROVIDES REAL ESTATE SERVICES TO PIKEVILLE MEDICAL CENTER		No
ALEX POULOS MD	PMC BOARD MEMBER	36,029	PIKEVILLE MEDICAL CENTER PURCHASED OFFICE SUITE PARTIALLY OWNED BY BOARD MEMBER		No
DENNIS HALBERT MD	PMC BOARD MEMBER	36,029	PIKEVILLE MEDICAL CENTER PURCHASED OFFICE SUITE PARTIALLY OWNED BY BOARD MEMBER		No
SUMMIT ENGINEERING	ENTITY OF WHICH PEGGY JUSTICE'S BROTHER IS A PARTNER	12,460	ENTITY PROVIDES ENGINEERING SERVICES TO PMC, \$12,262 -ENTITY PROVIDES ADVERTISING INCOME-MEDICAL LEADER PUBLICATION SOLELY OWNED BY PIKEVILLE MEDICAL CENTER, \$198		No
UNIVERSITY OF PIKEVILLE	ENTITY OF WHICH MARY R SIMPSON IS CHAIR OF THE DIVISION OF NURSING	13,249	PMC BOARD MEMBER MARY R SIMPSON PHD IS CHAIR OF THE UNIVERSITY OF PIKEVILLE DIVISION OF NURSING SERVICES PROVIDED BY UNIVERSITY OF PIKEVILLE TO PIKEVILLE MEDICAL CENTER - ADVERTISING INCOME-MEDICAL LEADER PUBLICATION SOLELY OWNED BY PMC, \$1,249 00 RENT PAYMENTS TO UNIVERSITY OF PIKEVILLE FOR STORAGE LOT, \$12,000		No

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 PIKEVILLE MEDICAL CENTER INC	Employer identification number 61-0458376
--	--

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2		DR ALEX POULOS & DR DENNIS HALBERT PARTNERS IN PIKEVILLE RADIOLOGY HOBERT JOHNSON & DAVID COLLINS MEMBERS OF COMMUNITY TRUST BANK BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE PROCESS OF REVIEWING THE FORM 990 ENTAILS A DETAILED REVIEW BY THE CFO AND HOSPITAL ATTORNEY PRIOR TO FILING. ADDITIONALLY, THE GOVERNING BODY REVIEWS AND APPROVES THE FINAL FORM 990 INCLUDING REQUESTED SCHEDULES. COPIES ARE PROVIDED TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY UPON REQUEST.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	<p>AS TO BOARD MEMBERS, UPDATES TO THE CONFLICT OF INTEREST FORMS ARE COMPLETED ANNUALLY WITH VOLUNTARY DISCLOSURE OF CONFLICT ON ANY PARTICULAR ISSUE. THERE IS NO PARTICIPATION, DISCUSSION OR VOTE TAKEN ON THESE. HOWEVER, THE BOARD ATTORNEY IS PROVIDED A COPY OF ALL INTERESTS OF EACH MEMBER TO ENSURE COMPLIANCE WITH THE POLICY. THESE ARE REGULARLY AND CONSISTENTLY MONITORED FOR ANY CHANGES. AS TO EMPLOYEES, THERE IS A WRITTEN CONFLICT OF INTEREST POLICY WHICH TOO IS REGULARLY AND CONSISTENTLY MONITORED AND ENFORCED BY HUMAN RESOURCES AND ADMINISTRATION AS NECESSARY. THIS POLICY IS INTENDED TO IDENTIFY AND RESOLVE CONFLICTS OF INTEREST WHICH MAY OCCUR RELATED TO FINANCIAL, BUSINESS, OR PROFESSIONAL INTERESTS. THE POLICY IS IN PLACE TO IDENTIFY AND RESOLVE A CONFLICT OF INTEREST WHICH MAY OCCUR ANY TIME THERE IS A SITUATION IN WHICH ONE'S ABILITY TO MAKE OBJECTIVE, JOB RELATED BUSINESS DECISIONS MAY BE INFLUENCED BY, OR HAVE THE APPEARANCE OF BEING INFLUENCED BY, OUTSIDE ACTIVITIES OR PERSONAL INTERESTS. POTENTIAL CONFLICTS OF INTEREST MAY INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:</p> <ol style="list-style-type: none"> <li>1. WORKING A SECOND JOB AT A COMPETING HEALTHCARE ENTITY WHICH MAY ALLOW THE TRANSFER OF CONFIDENTIAL BUSINESS INFORMATION OR INFLUENCE REFERRAL PATTERNS.</li> <li>2. ALLOWING THE DEMANDS OF OUTSIDE ACTIVITIES TO HINDER OR DISTRACT YOU FROM THE PERFORMANCE OF YOUR JOB OR CAUSE YOU TO USE PIKEVILLE MEDICAL CENTER RESOURCES FOR OTHER THAN PIKEVILLE MEDICAL CENTER PURPOSES.</li> <li>3. HOLDING AN OWNERSHIP INTEREST, MANAGEMENT, OR BOARD OF DIRECTORS POSITION IN A COMPANY WITH WHOM PIKEVILLE MEDICAL CENTER DOES BUSINESS WHICH MAY LEAD TO THE INDIVIDUAL'S PERSONAL GAIN/BENEFIT. "OWNERSHIP INTEREST" MEANS SERVING AS A BOARD DIRECTOR OR OFFICER OR OWNING MORE THAN 5% OF THE BUSINESS OR CORPORATION.</li> <li>4. HAVING AN IMMEDIATE FAMILY MEMBER OR SIGNIFICANT OTHER WHO HOLDS AN OWNERSHIP INTEREST IN A COMPANY WITH WHOM PIKEVILLE MEDICAL CENTER DOES BUSINESS WHICH MAY LEAD TO THE INDIVIDUAL'S PERSONAL GAIN/BENEFIT. "OWNERSHIP INTEREST" MEANS SERVING AS A BOARD DIRECTOR OR OFFICER OR OWNING MORE THAN 5% OF THE BUSINESS OR CORPORATION.</li> <li>5. HAVING AN IMMEDIATE FAMILY MEMBER OR SIGNIFICANT OTHER EMPLOYED BY THE PIKEVILLE MEDICAL CENTER AND WORKING WITHIN THE SAME DIRECT LINE OF AUTHORITY (ABOVE OR BELOW) AS THE FIRST EMPLOYEE. IMMEDIATE FAMILY MEMBERS INCLUDE SPOUSES, CHILDREN, GRANDCHILDREN, BROTHERS AND SISTERS AND THE SPOUSES OF THOSE INDIVIDUALS. THE SCOPE OF THIS POLICY INCLUDES PIKEVILLE MEDICAL CENTER AND ALL ITS DEPARTMENTS AND SERVICES WHEREVER LOCATED. THE COVERED INDIVIDUALS ARE TO FOLLOW THESE PROCEDURES:</li> </ol> <ol style="list-style-type: none"> <li>1. ALL LICENSED CLINICAL STAFF, SUPERVISORS, AND MANAGEMENT PERSONNEL SHALL COMPLETE A DUALITY AND CONFLICT OF INTEREST FORM AT THE TIME OF INITIAL EMPLOYMENT AND ANNUALLY THEREAFTER.</li> <li>2. EMPLOYEE CONFLICT OF INTEREST FORMS SHALL BE FILED IN THEIR PERSONNEL FILES.</li> <li>3. IN THE EVENT THAT AN EMPLOYEE'S JOB DESCRIPTION OR DUTIES REQUIRES A BUSINESS RELATED DECISION TO BE MADE IN AN AREA IN WHICH A PERSONAL CONFLICT OF INTEREST HAS BEEN IDENTIFIED, THE EMPLOYEE SHALL NOTIFY HIS/HER SUPERVISOR TO ARRANGE FOR AN ALTERNATIVE DECISION MAKING PROCESS WHICH WILL MAINTAIN OBJECTIVITY AND ELIMINATE PERSONAL BIAS, I.E. PERSONAL WITHDRAWAL FROM THE DECISION MAKING PROCESS, SOLICITATION OF CLOSED BIDS, OR UTILIZATION OF A INDEPENDENT SELECTION COMMITTEE.</li> <li>4. IF AN ACTUAL, APPARENT, OR POTENTIAL CONFLICT OF ETHICS IS IDENTIFIED INVOLVING PATIENT CARE OR TREATMENT, THE EMPLOYEE SHOULD SEEK ASSISTANCE FROM THEIR SUPERVISOR TO FIND A RESOLUTION WHICH WOULD HAVE MINIMUM IMPACT ON PATIENT CARE, TREATMENT, OR SERVICES.</li> </ol>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE COMPENSATION COMMITTEE REVIEWS AND APPROVES THE SALARY OF THE ORGANIZATION'S CEO AND KEY EMPLOYEES. THE COMMITTEE USES COMPARATIVE DATA FROM NATIONAL SALARY SURVEYS. MOTION AND APPROVALS FROM THE COMMITTEE ARE KEPT IN THE MINUTES.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION DOES MAKE THE FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST



Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 168,151 ROUNDING -4 TOTAL TO FORM 990, PART XI, LINE 5 168,147

Identifier	Return Reference	Explanation
OVERSIGHT OF AUDIT	FORM 990, PART XI, LINE 2C	THE BOARD OF DIRECTORS ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF THE FINANCIAL STATEMENTS AND NO PROCESSES HAVE CHANGED FROM THE PRIOR YEAR

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  
PIKEVILLE MEDICAL CENTER INC

Employer identification number  
61-0458376

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

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) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) PIKEVILLE MEDICAL CENTER FOUNDATION INC 911 BYPASS ROAD PIKEVILLE, KY41501 61-1274046	INACTIVE	KY	N/A	C	-306	47,347	100 000 %
(2) PIKEVILLE MEDICAL DEVELOPMENT CORPORATION 911 BYPASS ROAD PIKEVILLE, KY41501 20-2487928	INACTIVE	KY	N/A	C	-173	7,789	100 000 %

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

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

r

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

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

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

Schedule R (Form 990) 2010

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

[illegible]

**Part VII**   **Supplemental Information**

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

Identifier	Return Reference	Explanation
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**PIKEVILLE MEDICAL CENTER, INC.  
AND SUBSIDIARIES**

**Audited Consolidated Financial Statements  
(and Supplemental Schedules)**

**Years Ended September 30, 2011 and 2010**







**PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES**

***Audited Consolidated Financial Statements (and Supplemental Schedules)***

***Years Ended September 30, 2011 and 2010***

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***Audited Consolidated Financial Statements***

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PERSHING YOAKLEY & ASSOCIATES, P.C.  
One Cherokee Mills, 2220 Sutherland Avenue  
Knoxville, TN 37919  
p: (865) 673-0844 | f: (865) 673-0173  
www.pyapc.com

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Pikeville  
Medical Center, Inc.:

We have audited the consolidated balance sheet of Pikeville Medical Center, Inc. and subsidiaries (the Hospital) as of September 30, 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the year 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 audit. The consolidated financial statements of the Hospital as of September 30, 2010 were audited by other auditors whose report dated March 3, 2011 expressed an unqualified opinion on those statements.

We conducted our audit 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 consolidated 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 consolidated 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 audit provides 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 Pikeville Medical Center, Inc. and subsidiaries as of September 30, 2011, and the results of their operations, changes in net assets, and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental schedules, as listed in the accompanying index, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*Pershing Yoakley: Associates PC*

Knoxville, Tennessee  
February 27, 2012

**PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES*****Consolidated Balance Sheets***

	<i>September 30,</i>	
	<i>2011</i>	<i>2010</i>
<hr/>		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 120,817,736	\$ 83,472,819
Assets limited as to use	7,739,277	1,474,778
Patient accounts receivable, less estimated allowances for doubtful accounts of approximately \$17,700,000 and \$16,700,000 for 2011 and 2010, respectively	38,973,556	29,579,166
Inventories	10,703,097	10,156,399
Prepaid expenses and other assets	3,399,689	3,615,072
	<hr/>	
TOTAL CURRENT ASSETS	181,633,355	128,298,234
INVESTMENTS	901,240	607,923
ASSETS LIMITED AS TO USE, less amounts required to meet current obligations	54,379,599	5,067,298
PROPERTY, BUILDINGS AND EQUIPMENT, net	142,713,315	126,569,205
OTHER ASSETS		
Bond issuance costs, net	1,551,370	844,695
Other assets	1,912,134	670,663
	<hr/>	
TOTAL OTHER ASSETS	201,457,658	133,759,784
	<hr/>	
TOTAL ASSETS	\$ 383,091,013	\$ 262,058,018
	<hr/>	

	<i>September 30,</i>	
	<i>2011</i>	<i>2010</i>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	\$ 1,793,243	\$ 5,636,096
Current portion of other liabilities	602,650	656,332
Accounts payable	14,914,903	11,357,825
Accrued expenses	16,502,983	18,126,483
Estimated amounts due to third-party payors, net	1,385,910	1,247,077
CURRENT LIABILITIES	35,199,689	37,023,813
<b>OTHER LIABILITIES</b>		
Long-term debt, less current portion	134,211,691	42,711,281
Other liabilities	4,702,630	4,493,366
TOTAL LIABILITIES	174,114,010	84,228,460
<b>COMMITMENTS AND CONTINGENCIES - Note K</b>		
<b>NET ASSETS</b>		
Unrestricted	208,771,003	177,602,713
Temporarily restricted	-	20,845
Permanently restricted	206,000	206,000
TOTAL NET ASSETS	208,977,003	177,829,558
TOTAL LIABILITIES AND NET ASSETS	\$ 383,091,013	\$ 262,058,018

**PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES**

***Consolidated Statements of Operations and Changes in Net Assets***

	<i>Year Ended September 30,</i>	
	<i>2011</i>	<i>2010</i>
<b>CHANGES IN UNRESTRICTED NET ASSETS:</b>		
Unrestricted revenue, gains, and support:		
Net patient service revenue	\$ 338,216,601	\$ 292,884,671
Other revenue, gains, and support and release of restrictions	12,899,428	11,991,364
Net investment gain	1,383,680	1,939,827
Gain on insurance settlement - Note K	6,233,814	-
TOTAL REVENUE, GAINS AND SUPPORT	358,733,523	306,815,862
<b>EXPENSES:</b>		
Salaries and wages	120,540,540	101,782,074
Employee benefits, including payroll taxes	39,983,450	34,980,309
Supplies and drugs	62,162,081	54,999,306
Purchased services	11,702,942	9,143,566
Professional fees	2,942,137	3,153,522
Administrative and other	27,577,905	26,297,072
Depreciation and amortization	16,915,378	16,145,223
Estimated provision for bad debts	38,576,015	29,718,133
Provider taxes	3,256,359	3,272,879
Interest	3,908,426	2,352,040
TOTAL EXPENSES	327,565,233	281,844,124
EXCESS OF REVENUE, GAINS AND SUPPORT OVER EXPENSES AND LOSSES	31,168,290	24,971,738
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>		
Restricted contribution	-	25,000
Net assets released from restrictions	(20,845)	(24,501)
(DECREASE) INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	(20,845)	499
INCREASE IN NET ASSETS	31,147,445	24,972,237
NET ASSETS, BEGINNING OF YEAR	177,829,558	152,857,321
NET ASSETS, END OF YEAR	\$ 208,977,003	\$ 177,829,558

*See notes to consolidated financial statements.*

# PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

## *Consolidated Statements of Cash Flows*

	<i>Year Ended September 30,</i>	
	<i>2011</i>	<i>2010</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 31,147,445	\$ 24,972,237
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	16,915,378	16,145,223
Loss on early extinguishment of debt - Note E	798,068	-
Provision for bad debts	38,576,015	29,718,133
Amortization of bond premium	(190,621)	-
Change in unrealized gains on assets limited as to use and investments	(168,151)	(387,387)
Restricted contributions	-	(25,000)
Change in present value of future medical services to other liabilities	142,494	55,541
(Gain) loss on disposal of property, buildings and equipment	(20,748)	467,167
(Increase) decrease in cash due to changes in:		
Patient accounts receivable	(47,970,405)	(25,988,931)
Inventories	(546,698)	(1,235,980)
Prepaid expenses and other assets	(1,108,814)	816,682
Other assets	4,719	(358,312)
Accounts payable	897,499	(3,149,562)
Accrued expenses	(1,623,500)	382,601
Estimated amounts due to third-party payors, net	138,833	(3,263,047)
Other liabilities	239,927	223,833
Total adjustments	6,083,996	13,400,961
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>37,231,441</b>	<b>38,373,198</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property, buildings and equipment, net	(30,754,920)	(27,920,023)
Proceeds from disposals of property, buildings and equipment	694,908	70,278
Additions to intangible assets	(108,521)	-
Purchases of assets limited as to use and investments	(144,865,804)	(3,476,533)
Proceeds from sale of assets limited as to use and investments	89,163,838	3,289,203
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(85,870,499)</b>	<b>(28,037,075)</b>

	<i>Year Ended September 30,</i>	
	<i>2011</i>	<i>2010</i>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on other liabilities for capital lease obligations and settlement agreement	(226,839)	(536,715)
Payment of bond issuance costs	(1,637,364)	-
Proceeds from issuance of long-term debt	135,986,193	-
Principal payments on long-term debt	(48,138,015)	(5,267,661)
Restricted contributions	-	25,000
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	85,983,975	(5,779,376)
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,344,917	4,556,747
CASH AND CASH EQUIVALENTS, beginning of year	83,472,819	78,916,072
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 120,817,736</u>	<u>\$ 83,472,819</u>

**SUPPLEMENTAL INFORMATION AND NON-CASH TRANSACTIONS:  
INFORMATION**

Cash paid for interest	<u>\$ 4,248,708</u>	<u>\$ 3,109,575</u>
Capital related payables in accounts payable	<u>\$ 5,894,737</u>	<u>\$ 3,235,158</u>



## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements*

*Years Ended September 30, 2011 and 2010*

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#### NOTE A--THE ENTITY

*Organization:* The consolidated financial statements include the financial statements of Pikeville Medical Center, Inc. and its wholly owned subsidiaries Pikeville Medical Center Foundation, Inc. (the Foundation), and Pikeville Medical Development Corporation (collectively, the Hospital). All significant intercompany balances and transactions have been eliminated in consolidation. Pikeville Medical Center, Inc. was incorporated in 1922 as a Christian benevolent and charitable institution and currently has 261 licensed beds. Patient services include acute, rehabilitative, intensive, neonatal, nursery, and outpatient care. For purposes of display, all transactions are classified as operating as the Hospital considers all transactions to be central to the provision of healthcare services.

#### NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

*Cash and Cash Equivalents:* Cash and cash equivalents include certain investments in highly liquid debt instruments which are stated at fair value. Cash and cash equivalents also include repurchase agreements with contractual terms in excess of 90 days, but which settle frequently. Cash and cash equivalents designated as assets limited as to use or uninvested amounts included in investment portfolios are not included in the Consolidated Balance Sheets as cash and cash equivalents. Substantially all of the Hospital's cash and cash equivalents are covered by federal depository insurance or collateralized with securities held by the bank.

*Inventories:* Inventories (primarily medical supplies) are stated at the lower of cost or market on a first-in, first-out basis.

*Assets Limited as to Use and Investments:* Assets limited as to use consist of investments held by a trustee under the terms of bond indentures. Assets limited as to use that are required for obligations classified as current liabilities or amounts to be paid during the subsequent year are reported as current assets. These funds are invested primarily in cash equivalents and U.S. government and agency securities. At September 30, 2011, approximately 13% of assets limited as to use were held in the money market of a single issuer. Investments consist of mutual funds and other securities held in a 457(b) deferred compensation plan (Note G).

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2011 and 2010*

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#### NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

All assets limited as to use and investments with readily determinable market values are reported at fair value. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the excess of revenue over expenses. Gains and losses on the sale of investments and assets whose use is limited are computed using an average cost of the investment sold.

The Hospital's investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the estimated values of investments could occur in the near term and that such changes could materially affect the investment amounts reported in the accompanying consolidated balance sheets.

*Property, Buildings, and Equipment:* Property, buildings, and equipment are recorded at cost. Depreciation expense is computed primarily by the straight-line method over the estimated useful lives of the related assets (4-40 years for buildings and improvements and 5-15 years for equipment). Renewals and betterments are capitalized and depreciated over their estimated useful lives, whereas repair and maintenance expenditures are expensed as incurred. Interest cost incurred on borrowed funds during the period of construction of capital assets of approximately \$569,000 and \$766,000 for the years ended September 30, 2011 and 2010, respectively, is capitalized as a component of the cost of acquiring those assets. When required, impairment losses on assets to be held and used or disposed of other than by sale are recognized based on the estimated fair value of the asset. There was no impairment recognized by the Hospital during the years ended September 30, 2011 and 2010. Property, buildings, and equipment to be disposed of by sale are reported at the lower of their carrying amount or fair value less cost to sell.

*Bond Issuance Costs:* Bond issuance costs are being amortized over the life of the bond issue using a method that approximates the interest method. Bond issuance costs are net of accumulated amortization of approximately \$86,000 and \$1,307,000 as of September 30, 2011 and 2010, respectively). As discussed in Note E, during 2011 the Hospital wrote-off bond issuance costs of \$2,152,062, net of \$1,353,994 of accumulated amortization, in connection with early extinguishment of debt.

*Net Patient Service Revenue/Receivables:* 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 due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

*Years Ended September 30, 2011 and 2010*

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#### NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Patient accounts receivable are reported net of both an estimated allowance for uncollectible accounts and an allowance for contractual adjustments. The contractual allowance represents the difference between established billing rates and estimated reimbursement from Medicare, Medicaid and other third-party payment programs. Current operations are charged with an estimated provision for bad debts based upon historical experience, aging of receivables and any unusual circumstances which affect the collectibility of receivables, including management's assumptions about conditions it expects to exist and courses of action it expects to take. The Hospital's policy does not require collateral or other security for patient accounts receivable. The Hospital routinely accepts assignment of, or is otherwise entitled to receive, patient benefits payable under health insurance programs, plans or policies.

*Charity Care:* The Hospital provides charity care to patients who are unable to pay. Such patients are identified based on financial information obtained from the patient and subsequent analysis. Since the Hospital does not expect payment, estimated charges for charity care are not reported in revenue. The Hospital provided charity care of approximately \$38,411,000 and \$32,899,000 (services at the Hospital's established rates) to patients during 2011 and 2010, respectively.

*Temporarily and Permanently Restricted Net Assets:* Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity.

*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. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and are reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements. Gifts, grants and bequests not restricted by donors are reported as unrestricted donations.

*Provider Tax:* The Hospital is required to pay a healthcare provider tax pursuant to legislation passed by the Commonwealth of Kentucky. The legislation imposes tax rates ranging from 2.0% to

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2011 and 2010*

#### NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2.5% of gross revenue, as defined. The tax levied is for the purpose of providing funding for the Commonwealth of Kentucky Medicaid program.

*Income Taxes:* The Hospital has received a determination from the Internal Revenue Service that it is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation and the Pikeville Medical Center Development Corporation are taxable entities to which applicable corporate income taxes apply. No income taxes were owed by the Foundation or the Pikeville Medical Center Development Corporation for the years ended September 30, 2011 and 2010. The Hospital had no uncertain tax positions at September 30, 2011 and 2010.

*Fair Value Measurement:* The Hospital had previously adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and expands disclosures about fair value measurements. In January 2010, the FASB issued Accounting Standards Update (ASU) 2010-06, *Fair Value Measurements and Disclosures (Topic 820) - Improving Disclosures about Fair Value Measurements* (ASU 2010-06). ASU 2010-06 requires new disclosures regarding significant transfers in and out of Levels 1 and 2, as well as information about activity in Level 3 fair value measurements, including presenting information about purchases, sales, issuances and settlements on a gross versus a net basis in the Level 3 activity roll forward. In addition, ASU 2010-06 clarifies existing disclosures regarding input and valuation techniques, as well as the level of disaggregation for each class of assets and liabilities. The Hospital adopted ASU 2010-06 in 2010, except for the disclosures related to purchases, sales, issuance and settlements, which will be effective for the Hospital beginning October 1, 2011. The adoption of ASU 2010-06 did not, and is not expected to, have an impact on the Hospital's consolidated financial statements.

*Subsequent Events:* The Hospital evaluated all events or transactions that occurred after October 1, 2011, through February 27, 2012, the date the consolidated financial statements were available to be issued. Except as disclosed in Note L, during this period management did not note any material recognizable subsequent events that required recognition or disclosure in the September 30, 2011 consolidated financial statements.

*New Accounting Pronouncements:* In April 2009, the FASB issued ASC 958-805, *Not-for-Profit Entities, Business Combinations*, which establishes principles and requirements for determining whether a combination is a merger or an acquisition; and determines what information to disclose to enable users of financial statements to evaluate the nature and financial effects of a merger or an acquisition. Additionally, ASC 958-805 sets forth guidance on subsequent accounting for goodwill and other intangible assets acquired in an acquisition and amends the accounting for, and the

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2011 and 2010*

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#### NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

financial statement presentation of, noncontrolling interests in a subsidiary within consolidated financial statements. The effective date of ASC 958-805 for the Hospital was October 1, 2010. The adoption of this new accounting pronouncement did not have a significant impact on the consolidated financial statements.

In August 2010, the FASB issued ASU 2010-23, *Health Care Entities – Measuring Charity Care for Disclosure*. ASU 2010-23 is intended to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care. ASU 2010-23 requires that cost, identified as the direct and indirect costs of providing the charity care, be used as the measurement basis for disclosure purposes. ASU 2010-23 also requires disclosure of the method used to identify or determine such costs. The Hospital will adopt ASU 2010-23 beginning October 1, 2011. Management does not expect the adoption of ASU 2010-23 to have a material impact on the consolidated financial statements.

In August 2010, the FASB issued ASU 2010-24, *Health Care Entities – Presentation of Insurance Claims and Related Insurance Recoveries*. The amendments in the ASU clarify that a health care entity may not net insurance recoveries against the related claim liabilities. In addition, the amount of the claim liability must be determined without consideration of insurance recoveries. The adoption of ASU 2010-24 is effective for the Hospital beginning October 1, 2011. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

In July 2011, the FASB issued ASU 2011-07, *Healthcare Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for Certain Healthcare Entities*, which will require certain healthcare entities to reclassify the provision for bad debts associated with providing patient care from an operating expense to a deduction from net patient service revenue in the statement of operations and changes in net assets. Additionally, ASU 2011-07 requires enhanced disclosures about an entity's policies for recognizing revenue and assessing bad debts and qualitative and quantitative information about changes in the allowance for doubtful accounts. The Hospital intends to adopt ASU 2011-07 beginning October 1, 2012. Management does not expect the adoption of ASU 2011-07 to have a material impact on the consolidated financial statements.

#### NOTE C--CONCENTRATIONS OF RISK

The Hospital is located in Pikeville, Kentucky and the Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. Admitting physicians are primarily practitioners in the local area.

**PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES*****Notes to Consolidated Financial Statements - Continued******Years Ended September 30, 2011 and 2010*****NOTE C--CONCENTRATIONS OF RISK - Continued**

The percentages of gross receivables from patients and third-party payors as of September 30:

	<i>2011</i>	<i>2010</i>
Medicare	44%	42%
Medicaid	12%	16%
Other third-party payors	24%	20%
Patients	20%	22%
Total	100%	100%

The percentages of revenues from patients and third-party payors as of September 30, 2011 and 2010, were as follows:

	<i>2011</i>	<i>2010</i>
Medicare	49%	49%
Medicaid	18%	17%
Other third-party payors	28%	28%
Patients	5%	6%
Total	100%	100%

**NOTE D--PROPERTY, BUILDINGS AND EQUIPMENT**

	<i>2011</i>	<i>2010</i>
Land	\$ 5,495,937	\$ 5,495,937
Buildings and improvement	114,340,518	109,305,937
Equipment	103,937,091	103,275,146
	223,773,546	218,077,020
Less: Accumulated depreciation	(107,746,213)	(97,834,193)
	116,027,333	120,242,827
Construction-in-progress	26,685,982	6,326,378
	\$ 142,713,315	\$ 126,569,205

# PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements - Continued

### Years Ended September 30, 2011 and 2010

#### NOTE D--PROPERTY, BUILDINGS AND EQUIPMENT - Continued

Depreciation expense for the years ended September 30, 2011 and 2010 was approximately \$15,955,000 and \$15,624,000, respectively. The Hospital had outstanding purchase commitments on capital projects totaling approximately \$57,561,000 at September 30, 2011.

#### NOTE E--LONG-TERM DEBT

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

Description	Maturities	Rates	Outstanding Balance	
			2011	2010
2011 Hospital Improvement and Refunding Revenue Bonds, net of unamortized premium of \$361,377 at September 30, 2011	\$35,675,000 serially, through March 1, 2024 \$8,190,000 term certificates, due March 1, 2026 \$15,245,000 term certificates, due March 1, 2031 \$30,890,000 term certificates, due March 1, 2041	3.00% to 5.00% 5.75% 6.25% 6.50%	\$ 90,361,377	\$ -
2011 Hospital Improvement Revenue Bond Anticipation Notes, net of unamortized premium of \$834,195 at September 30, 2011	\$44,600,000 term certificate, due September 1, 2013	3.00%	45,434,195	-
Kentucky Economic Development Finance Authority Hospital Revenue Refunding Bonds, Series 1997	Due in variable installments with final payment due February 1, 2028, redeemed in 2011	5.40% to 5.70%	-	34,920,000
Construction note payable	Due in monthly installments with final payment due November 4, 2010, repaid in 2011	6.00%	-	89,382
Note payable, collateralized by vehicles with a net book value of \$267,592 as of September 30, 2011	Due in monthly installments with final payment due October 5, 2012	3.95%	209,362	395,019
Note payable, collateralized by medical equipment and software with a net book value of \$917,000 as of September 30, 2010	Due in monthly installments with final payment due May 4, 2011	5.75%	-	438,163
Note payable	Due in monthly installments with final payment due February 11, 2013, repaid in 2011	6.50%	-	2,545,409
Note payable, secured by medical equipment with a net book value of \$7,820,000 as of September 30, 2010	Due in monthly installments with final payment due March 3, 2013, repaid in 2011	6.00%	-	9,770,279
Note payable, Musgrave Oncology Clinic	Due in annual installments with final payment due June 8, 2011	5.75% (imputed)	-	189,125
			136,004,934	48,347,377
Less current portion			(1,793,243)	(5,636,096)
			<u>\$ 134,211,691</u>	<u>\$ 42,711,281</u>

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2011 and 2010*

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#### NOTE E--LONG-TERM DEBT - Continued

*Series 2011 Bonds and Notes:* In April 2011, the Hospital issued \$90,000,000 Refunding Revenue Bonds (the Series 2011 Bonds) and \$44,600,000 Revenue Bond Anticipation Notes (the Series 2011 Notes) through the City of Pikeville, Kentucky. Proceeds of the Series 2011 Bonds were used by the Hospital to refinance outstanding indebtedness, including the Series 1997 Kentucky Economic Development Finance Authority Hospital Revenue Refunding Bonds (the Series 1997 Bonds) and certain bank loans, to finance or refinance the cost of certain additions, extensions and improvements to the Hospital's medical facilities, fund debt service reserve funds and pay costs of issuance. The Series 2011 Bonds are uninsured and subject to optional, mandatory and extraordinary redemption prior to maturity as described in the Master Indenture and require sinking fund payments ranging from \$1,875,000 to \$4,770,000 beginning in 2025 through 2041.

Proceeds of the Series 2011 Notes were used to finance the cost of issuance as well as the acquisition, development, construction and maintenance of a medical office building and multi-level parking garage on an interim basis. Management anticipates that permanent financing in the amount of \$44,602,500 will be provided by the United States Department of Agriculture, Rural Development prior to or on August 1, 2013. The Series 2011 Notes are subject to extraordinary redemption prior to maturity as described in the Master Indenture.

*Series 1997 Bonds:* The Series 1997 Bonds were subject to optional redemption and were repaid from proceeds of the Series 2011 Bonds. The Hospital recognized a \$798,068 loss on early extinguishment of debt representing the write off of previously deferred and unamortized financing costs related to the refinanced Series 1997 issue. The loss is included in Administrative and Other Expenses in the accompanying 2011 consolidated statement of operations and changes in net assets.

The required annual principal payments on long-term debt for the years subsequent to September 30, 2011, are as follows:

<i><u>Year Ending September 30,</u></i>	
2012	\$ 1,793,243
2013	46,831,119
2014	2,310,000
2015	2,400,000
2016	2,130,000
Thereafter	<u>79,345,000</u>
	134,809,362
Net premium	<u>1,195,572</u>
	<u><u>\$ 136,004,934</u></u>

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## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

*Years Ended September 30, 2011 and 2010*

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#### NOTE E--LONG-TERM DEBT - Continued

The Hospital has granted and pledged to the Master Trustee a security interest in all gross receipts (as defined in the Master Indenture) and a mortgage on, and security interest in, certain of its medical facilities related to the payment of obligations issued or secured under the Master Indenture. The terms of the Master Indenture and related debt agreements contain financial and other covenants with which the Hospital must comply. Management believes the Hospital was in compliance with all such covenants at September 30, 2011.

In connection with the tax-exempt Series 2011 Bonds and Notes, the Hospital is required every five years, and at maturity, to remit to the Internal Revenue Service amounts which are due related to positive arbitrage on the borrowed funds. The Hospital intends to perform such computations when required and will recognize any liability at that time. Management does not believe there are any significant arbitrage liabilities at September 30, 2011.

#### NOTE F--OPERATING LEASES

The Hospital has certain equipment which is leased under non-cancelable operating leases. Approximate minimum rental payments are as follows:

<i>Year Ending September 30,</i>	
2012	\$ 872,000
2013	761,000
2014	359,000
2015	329,000
2016	276,000
Thereafter	321,000
Total	<u>\$ 2,918,000</u>

Rental expense under operating leases was approximately \$1,316,000 and \$1,185,000 in 2011 and 2010, respectively.

#### NOTE G--EMPLOYEE BENEFIT PLANS

The Hospital established a 403(b) defined contribution plan, effective January 1, 2004. The Hospital matches 50% of employees' contributions up to 10% of an employee's salary. The Hospital's expense was approximately \$1,663,000 and \$1,517,000 during 2011 and 2010, respectively.

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2011 and 2010*

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#### NOTE G--EMPLOYEE BENEFIT PLANS - Continued

The Hospital established a 457(b) deferred compensation plan, (the Plan) effective March 1, 2008, for certain employees. Included in investments in the accompanying consolidated balance sheets as of September 30, 2011 and 2010, is approximately \$900,000 and \$608,000, respectively, of investments with a corresponding amount of other long-term liabilities for the amount of cumulative employee compensation that was elected by such employees to be deferred for this Plan, as well as the corresponding cumulative gains and losses on such investments. During the years ended September 30, 2011 and 2010, approximately \$332,000 and \$205,000, respectively, was expensed as compensation in connection with this Plan.

#### NOTE H--RELATED PARTY TRANSACTIONS

The Hospital enters into transactions in the normal course of business with various other companies, certain of whose directors, officers, or immediate family are also directors or immediate family members of the directors at the Hospital. Donations and interest and dividends earned from companies associated with Board members totaled approximately \$1,133,000 in 2011 and \$1,352,000 in 2010. Purchased services, rentals and loan payments associated with Board members totaled approximately \$5,426,000 in 2011 and \$6,473,000 in 2010. Board members refrain from discussion and abstain from voting on transactions with entities with which they are related.

#### NOTE I--FUNCTIONAL EXPENSES

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended September 30, 2011 and 2010, by functional classification, are as follows:

	<i>2011</i>	<i>2010</i>
Health services	\$ 179,651,245	\$ 159,511,897
General and administrative	147,880,174	122,332,227
Total expenses	<u>\$ 327,531,419</u>	<u>\$ 281,844,124</u>

#### NOTE J--FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments has been estimated by the Hospital using available market information as of September 30, 2011 and 2010, and valuation methodologies considered appropriate. The estimates presented are not necessarily indicative of amounts the Hospital could realize in a current market exchange. The carrying value of substantially all financial instruments approximates fair value due to the nature or term of the instruments, except as described below.

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2011 and 2010*

#### NOTE J--FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

*Other Liabilities:* It is not practical to estimate the fair market value of other liabilities due to uncertainty of when these amounts may be paid.

*Long-Term Debt:* The fair value of long-term debt is estimated based upon quotes obtained from brokers for bonds and discounted future cash flows using current market rates for other debt. The estimated fair value and carrying value of long-term debt was approximately \$142,386,000 and \$135,796,000, respectively, at September 30, 2011. The estimated fair value and carrying value of long-term bond debt was approximately \$35,041,000 and \$34,920,000, respectively, at September 30, 2010. The estimated fair value and carrying value of the Hospital's notes payable was approximately \$14,018,000 and \$13,427,000, respectively, as of September 30, 2010. Notes payable at September 30, 2011 were not significant.

ASC 820, *Fair Value Measurements and Disclosures*, establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. In accordance with ASC 820, the Hospital classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

At September 30, 2011, the fair value of the Hospital's financial instruments that are required to be measured at fair value on recurring basis in accordance with ASC 820 disclosed by major category on the basis of the nature and risk is as follows:

	<i>Quoted Prices in Active Market (Level 1)</i>	<i>Significant Other Observable Inputs (Level 2)</i>	<i>Significant Unobservable Inputs (Level 3)</i>	<i>Total</i>
<b>September 30, 2011</b>				
Cash and cash equivalents	\$ -	\$ 129,927,427	\$ -	\$ 129,927,427
U.S. Treasury and agency obligations	-	53,966,908	-	53,966,908
Mutual funds - Domestic Stock Funds	584,247	-	-	584,247
Mutual funds - International Stock Funds	148,602	-	-	148,602
Other	-	155,458	-	155,458
Total assets	\$ 732,849	\$ 184,049,793	\$ -	\$ 184,782,642

# PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements - Continued

Years Ended September 30, 2011 and 2010

### NOTE J--FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

	<i>Quoted Prices in Active Market (Level 1)</i>	<i>Significant Other Observable Inputs (Level 2)</i>	<i>Significant Unobservable Inputs (Level 3)</i>	<i>Total</i>
<b>September 30, 2010</b>				
Cash and cash equivalents	\$ -	\$ 85,823,860	\$ -	\$ 85,823,860
U.S. Treasury and agency obligations	-	4,191,015	-	4,191,015
Mutual funds - Domestic Stock Funds	388,951	-	-	388,951
Mutual funds - International Stock Funds	119,273	-	-	119,273
Guaranteed investment contract	-	98,359	-	98,359
Other	1,360	-	-	1,360
Total assets	\$ 509,584	\$ 90,113,234	\$ -	\$ 90,622,818

There were no significant assets or liabilities that were re-measured at fair value on a non-recurring basis during the fiscal years ended September 30, 2011 and 2010.

### NOTE K--COMMITMENTS AND CONTINGENCIES

There are certain lawsuits or claims pending against the Hospital resulting from the ordinary course of its business. The Hospital provides for costs relating to these matters when a loss is probable and the amount is reasonably estimable. While it is not possible to predict with certainty the ultimate outcome of these pending matters, management believes that the ultimate resolution of such matters will not have a material adverse effect on the financial position, operations, or cash flows of the Hospital.

*Settlement Agreement:* In 2004, the Hospital entered into a settlement agreement with a patient, providing for a cash payment of \$3,250,000, annual payments of \$300,000 for 11 years, and an agreement to provide certain medical services for the life of the patient. The liability has been reduced by the cost savings of performing the diagnostics at the Hospital and is recorded in Other Liabilities in the accompanying consolidated balance sheets. The liability is updated annually based on payments made and adjustments to net present value.

The summary of activity for the related liability is as follows:

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2011 and 2010*

#### NOTE K--COMMITMENTS AND CONTINGENCIES - Continued

Balance, October 1, 2009	\$ 2,640,292
Payments	(309,423)
Change in present value for future medical services	<u>55,541</u>
Balance, September 30, 2010	2,386,410
Payments	(380,494)
Change in present value for future medical services	<u>142,494</u>
Balance, September 30, 2011	<u><u>\$ 2,148,410</u></u>

*Insurance:* The Hospital maintains commercial insurance on for medical malpractice liabilities. The claims-made policy has a \$250,000 deductible on individual claims up to a maximum liability of \$1,000,000 and \$3,000,000 in the aggregate annually. In addition, the Hospital maintains an umbrella policy in the amount of \$11,000,000, individual and in the aggregate (\$10,000,000 in 2010).

The Hospital is substantially self-insured for workers' compensation claims and has established estimated liabilities for reported claims. The Hospital has excess coverage insurance covering claims exceeding \$1,000,000. Hospital management has estimated and accrued for the cost of asserted claims based on historical data. No accrual for claims incurred but not reported is recorded in the accompanying consolidated financial statements as management is not able to estimate such amounts.

The Hospital was previously insured for workers' compensation and medical malpractice claims through a commercial insurer which became insolvent prior to 2010. In 2011, the Hospital received a \$6,233,814 settlement from this insurer for claims asserted during the insured period, which were previously paid by the Hospital.

*Employee Benefits:* The Hospital is self-insured for employee health claims under a health insurance program. Claims payable, as well as management's estimate for claims incurred but not reported is included as part of accrued expenses in the accompanying consolidated balance sheets.

*Healthcare Industry:* Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

In March 2010, Congress adopted comprehensive health care insurance legislation, *Patient Care Protection and Affordable Care Act* and *Health Care and Educational Reconciliation Act*. The

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Notes to Consolidated Financial Statements - Continued*

#### *Years Ended September 30, 2011 and 2010*

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#### NOTE K--COMMITMENTS AND CONTINGENCIES - Continued

legislation, among other matters, is designated to expand access to coverage to substantively all citizens by 2019 through a combination of public program expansion and private industry health insurance. Changes to existing Medicaid coverage and payments are also expected to occur as a result of this legislation. Implementing regulations are generally required for these legislative acts, which are to be adopted over a period of years and, accordingly, the specific impact of any future regulations is not determinable.

#### Note L--SUBSEQUENT EVENT

In February 2012, the Hospital entered into a Multiple Advance Term Note (the Term Note) with U.S. Bank, N.A for the purchase of medical equipment. The Term Note provides for borrowings from February 2, 2012 through June 2, 2012 (the Draw Down Period), in an amount not to exceed \$5,413,752. The Term Note is secured by equipment. Borrowings will bear interest at the bank's prime rate during the Draw Down Period and 3.9% per annum thereafter. The Hospital will make interest only payments beginning on March 15, 2012, through the remainder of the Draw Down Period. Beginning June 2, 2012, the Term Note will be re-paid over a sixty month amortization period, maturing on June 2, 2017. Financial covenants of the Term Note are consistent with the Master Indenture, Note E.

# PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

## Consolidating Balance Sheet

September 30, 2011

	Obligated Group*	Pikeville Medical Development Corporation	Pikeville Medical Center Foundation, Inc.	Eliminations	Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 120,762,600	\$ 7,789	\$ 47,347	\$ -	\$ 120,817,736
Assets limited as to use	7,739,277	-	-	-	7,739,277
Patient accounts receivable, less estimated allowances for doubtful accounts	38,973,556	-	-	-	38,973,556
Inventories	10,703,097	-	-	-	10,703,097
Prepaid expenses and other assets	4,082,808	-	-	(683,119)	3,399,689
TOTAL CURRENT ASSETS	182,261,338	7,789	47,347	(683,119)	181,633,355
INVESTMENTS	1,741,318	-	-	(840,078)	901,240
ASSETS LIMITED AS TO USE, less amounts required to meet current obligations	54,379,599	-	-	-	54,379,599
PROPERTY, BUILDINGS AND EQUIPMENT, net	142,713,315	-	-	-	142,713,315
OTHER ASSETS					
Bond issuance costs, net	1,551,370	-	-	-	1,551,370
Other assets	1,912,134	-	-	-	1,912,134
TOTAL OTHER ASSETS	202,297,736	-	-	(840,078)	201,457,658
TOTAL ASSETS	\$ 384,559,074	\$ 7,789	\$ 47,347	\$ (1,523,197)	\$ 383,091,013

\* Pikeville Medical Center, Inc

# PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

## Consolidating Balance Sheet - Continued

September 30, 2011

	Obligated Group*	Pikeville Medical Development Corporation	Pikeville Medical Center Foundation, Inc.	Eliminations	Total
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Current portion of long-term debt	\$ 1,793,243	\$ -	\$ -	\$ -	1,793,243
Current portion of other liabilities	602,650	-	-	-	602,650
Accounts payable	14,914,903	-	683,119	(683,119)	14,914,903
Accrued expenses	16,502,983	-	-	-	16,502,983
Estimated amounts due to third-party payors, net	1,385,910	-	-	-	1,385,910
<b>TOTAL CURRENT LIABILITIES</b>	<b>35,199,689</b>	<b>-</b>	<b>683,119</b>	<b>(683,119)</b>	<b>35,199,689</b>
<b>OTHER LIABILITIES</b>					
Long-term debt, less current portion	134,211,691	-	-	-	134,211,691
Other liabilities	4,702,630	-	-	-	4,702,630
<b>TOTAL LIABILITIES</b>	<b>174,114,010</b>	<b>-</b>	<b>683,119</b>	<b>(683,119)</b>	<b>174,114,010</b>
<b>NET ASSETS (DEFICIT)</b>					
Unrestricted	210,239,064	7,789	(635,772)	(840,078)	208,771,003
Temporarily restricted	-	-	-	-	-
Permanently restricted	206,000	-	-	-	206,000
<b>TOTAL NET ASSETS (DEFICIT)</b>	<b>210,445,064</b>	<b>7,789</b>	<b>(635,772)</b>	<b>(840,078)</b>	<b>208,977,003</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 384,559,074</b>	<b>\$ 7,789</b>	<b>\$ 47,347</b>	<b>\$ (1,523,197)</b>	<b>\$ 383,091,013</b>

\* Pikeville Medical Center, Inc.



# PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

## Consolidating Statement of Operations and Changes in Net Assets

Year Ended September 30, 2011

	Obligated Group*	Pikeville Medical Development Corporation	Pikeville Medical Center Foundation, Inc.	Eliminations	Total
CHANGES IN UNRESTRICTED NET ASSETS:					
Unrestricted revenue, gains and support					
Net patient service revenue	\$ 338,216,601	\$ -	\$ -	\$ -	338,216,601
Other revenue, gains, and support and release of restrictions	12,899,428	-	-	-	12,899,428
Net investment gain	1,383,672	8	-	-	1,383,680
Gain on insurance settlement	6,233,814	-	-	-	6,233,814
TOTAL REVENUE, GAINS AND SUPPORT	358,733,515	8	-	-	358,733,523
EXPENSES					
Salaries and wages	120,540,540	-	-	-	120,540,540
Employee benefits, including payroll taxes	39,983,269	181	-	-	39,983,450
Supplies and drugs	62,162,081	-	-	-	62,162,081
Purchased services	11,702,942	-	-	-	11,702,942
Professional fees	2,942,137	-	-	-	2,942,137
Administrative and other	27,577,599	-	306	-	27,577,905
Depreciation and amortization	16,915,378	-	-	-	16,915,378
Estimated provision for bad debts	38,576,015	-	-	-	38,576,015
Provider taxes	3,256,359	-	-	-	3,256,359
Interest	3,908,426	-	-	-	3,908,426
TOTAL EXPENSES	327,564,746	181	306	-	327,565,233
EXCESS (DEFICIT) OF REVENUE, GAINS AND SUPPORT OVER EXPENSES AND LOSSES	31,168,769	(173)	(306)	-	31,168,290
TEMPORARILY RESTRICTED NET ASSETS					
Net assets released from restrictions	(20,845)	-	-	-	(20,845)
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	(20,845)	-	-	-	(20,845)
INCREASE (DECREASE) IN NET ASSETS	31,147,924	(173)	(306)	-	31,147,445
NET ASSETS (DEFICIT), BEGINNING OF YEAR	179,297,140	7,962	(635,466)	(840,078)	177,829,558
NET ASSETS (DEFICIT), END OF YEAR	\$ 210,445,064	\$ 7,789	\$ (635,772)	\$ (840,078)	\$ 208,977,003

\* Pikeville Medical Center, Inc

## PIKEVILLE MEDICAL CENTER, INC. AND SUBSIDIARIES

### *Note to Supplemental Schedules*

*Year Ended September 30, 2011*

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#### NOTE A--OBLIGATED GROUP

In accordance with the Master Trust Indenture between Pikeville Medical Center, Inc. and Community Trust Bank, Inc., as Master Trustee, Pikeville Medical Center, Inc. (the Hospital) is the sole member of the Obligated Group. As described in Note E to the consolidated financial statements, the Hospital has granted and pledged to the Master Trustee a security interest in all gross receipts (as defined in the Master Indenture) and a mortgage on, and security interest in, certain of its medical facilities related to payment of obligations issued or secured under the Master Indenture.

Wholly owned subsidiaries of the Hospital, Pikeville Medical Center Foundation, Inc. and Pikeville Medical Development Corporation, are not pledged to secure the payment of the outstanding bonds as they are not part of the Obligated Group. As such, the Hospital has not accounted for its investment in these subsidiaries in the supplemental consolidating balance sheet.