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2010

Open to Public
Inspection

Form 990

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.

Department of the Treasury
Internal Revenue Service

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

ANDERSON REGIONAL MEDICAL CENTER

Doing Business As

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

2124 14TH STREET

Room/suite

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

MERIDIAN, MS 39301

F Name and address of principal officer

L. RAY HUMPHREYS

2124 14TH ST. MERIDIAN, MS 39301

D Employer identification number

64-0362400

E Telephone number

(601) 553-6000

G Gross receipts \$ 233,776,501.

H(a) Is this a group return for affiliates? ☐ Yes ☒ NoH(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

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

J Website: ▶ WWW.JARMC.ORG

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

L Year of formation 1928 M State of legal domicile MS

Part I Summary

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

THE MISSION OF THE HOSPITAL IS TO CONTINUE OUR HERITAGE OF HEALING AND IMPROVING LIFE FOR THE PEOPLE WE SERVE.

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a) 3 7.

4 Number of independent voting members of the governing body (Part VI, line 1b) 4 3.

5 Total number of individuals employed in calendar year 2010 (Part V, line 2a) 5 1,558.

6 Total number of volunteers (estimate if necessary) 6 56.

7a Total gross unrelated business revenue from Part VIII, column (C), line 12 7a 8,117,821.

b Net unrelated business taxable income from Form 990-T, line 34 7b NONED.

8 Contributions and grants (Part VIII, line 1h) Prior Year 65,244. Current Year 67,900.

9 Program service revenue (Part VIII, line 2g) 461,369,583. 201,622,211.

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 2,939,870. 1,994,983.

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 683,556. 3,027,485.

12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 465,058,253. 206,712,579.

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 125,003. 130,967.

14 Benefits paid to or for members (Part IX, column (A), line 4) 0. 0.

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 74,161,701. 95,979,902.

16a Professional fundraising fees (Part IX, column (B), line 11e) 0. 0.

b Total fundraising expenses (Part IX, column (B), line 25) 0. 0.

17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-14f) 386,215,408. 127,109,177.

18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) 460,502,112. 223,220,046.

19 Revenue less expenses Subtract line 18 from line 12 4,556,141. -16,507,467.

20 Total assets (Part X, line 16) Beginning of Current Year 247,495,540. End of Year 271,927,425.

21 Total liabilities (Part X, line 26) 60,881,088. 125,705,376.

22 Net assets or fund balances. Subtract line 21 from line 20 186,614,452. 146,222,049.

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 ▶ *L. Ray Humphreys* Signature of officer Date 8/15/2012

▶ *L. Ray Humphreys, President + CEO* Type or print name and title

Paid Preparer Use Only ▶ Print/Type preparer's name DEBRA C. COOK Preparer's signature *Debra C Cook* Date 08/13/12 Check if self-employed ☐ PTIN P00031689

Firm's name ▶ KPMG LLP Firm's EIN ▶ 13-5565207

Firm's address ▶ 210 PARK AVE., SUITE 2850 OKLAHOMA CITY, OK 73102 Phone no 405-239-6411

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2010)

SCANNED SEP 11 2012

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

THE MISSION OF THE HOSPITAL IS TO CONTINUE OUR HERITAGE OF HEALING
AND IMPROVING LIFE FOR THE PEOPLE WE SERVE.

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 \$ 140,610,618. including grants of \$ 130,967.) (Revenue \$ 201,622,211.)
SEE SCHEDULE O, GENERAL STATEMENT 2

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)

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

4e Total program service expenses ► 140,610,618.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II.	X	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III.		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J.	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
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?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25 a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I.		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I.		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II.		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III.		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV.	X	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV.		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV.		X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M.		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M.		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I.		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II.		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I.		X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	X	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2.		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI.		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Form 990 (2010)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V. ☐

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 237	
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c X	
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 1,558	
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 X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a X	
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b X	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b If "Yes," enter the name of the foreign country <input type="checkbox"/> See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7 Organizations that may receive deductible contributions under section 170(c).		
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9 Sponsoring organizations maintaining donor advised funds.		
a Did the organization make any taxable distributions under section 4966?	9a	
b Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on Part VIII, line 12	10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11 Section 501(c)(12) organizations. Enter:		
a Gross income from members or shareholders	11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.		
a Is the organization licensed to issue qualified health plans in more than one state? 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	X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

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

Check if Schedule O contains a response to any question in this Part VI ☒ X

Section A. Governing Body and Management

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

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

	Yes	No
10a		X
b		
11a	X	
b		
12a	X	
b	X	
c	X	
13	X	
14		X
15		
a	X	
b	X	
16a	X	
b		X

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 Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization.
 L. RAY HUMPHREYS 2124 14TH ST. MERIDIAN, MS 39301
 601-553-6000

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII. ☒ X**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ATTACHMENT 1										
(1) DR. JOSEPH ANDERSON DIRECTOR - CHAPLAIN	47.00	X						92,891.	0	15,887.
(2) GAY WHITWORTH DIRECTOR - COMMUNITY RELATIONS	6.00	X						25,525.	0	162.
(3) JANET G. FARRINGTON DIRECTOR - EDUCATION PROGRAMS	6.00	X						26,423.	0	162.
(4) EUGENE RALEY DIRECTOR	3.00	X						12,618.	0	81.
(5) SHAWN ANDERSON, M.D. DIRECTOR - ER PHYSICIAN	6.00	X						24,276.	0	225.
(6) PHILLIP BROOKS DIRECTOR	3.00	X						12,792.	0	225.
(7) THURMAN EVERETT DIRECTOR	3.00	X						11,129.	0	225.
(8) LARRY FORTENBERRY SECTY./TREAS. (RET. 02-2011)	40.00			X				572,722.	0	58,530.
(9) JOHN ANDERSON VICE-PRESIDENT	40.00			X				174,138.	0	54,265.
(10) WANDA COOPER VICE-PRESIDENT	40.00			X				199,652.	0	59,270.
(11) LINDA TODD VICE-PRESIDENT (RET. 01-2011)	40.00			X				436,003.	0	47,263.
(12) GEORGE FARR, JR. VICE-PRESIDENT	40.00			X				142,138.	0	39,426.
(13) ANTHONY RISPOLI VP/CFO (RES. 08-2011)	40.00			X				274,174.	0	61,578.
(14) KATRINA CHAMBLEE VICE-PRESIDENT (RES. 05-2011)	40.00			X				159,944.	0	38,225.
(15) ANN LUNDY VICE-PRESIDENT (RES. 05-2012)	40.00			X				156,016.	0	35,415.
(16) LELAND RAY HUMPHREYS PRESIDENT/CEO	40.00			X				255,164.	0	49,543.

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17) RICHARD HIGHTOWER VICE-PRESIDENT	40.00			X				55,723.	0.	10,755.
(18) GEORGE EDWARD TUCKER, JR. INTERIM CFO	40.00			X				0.	0.	0.
(19) DAVID ALLYN GEER, M.D. SURGEON	40.00					X		428,061.	0.	25,243.
(20) PAUL A. PINION PHYSICIAN	40.00					X		469,436.	0.	15,994.
(21) PHILLIP K. MCDONALD PHYSICIAN	40.00					X		418,196.	0.	16,094.
(22) BRUCE WALLACE BROWN HOSPITALIST	40.00					X		399,893.	0.	12,381.
(23) JOHN ANTHONY DICKSON HOSPITALIST	40.00					X		362,086.	0.	17,222.
(24) MARK MCPHAIL PRESIDENT/CEO (RET. 12-2008)							X	213,710.	0.	225.
(25) J.W. JONES VICE-PRESIDENT (RET. 04-2009)							X	111,120.	0.	0.
(26)										
(27)										
(28)										
1b Sub-total								5,033,830.	0.	558,396.
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								5,033,830.	0.	558,396.

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 **53**

- 3** Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3	X	
4	X	
5		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SEE SCHEDULE O, GENERAL STATEMENT 6		7,247,060.

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 **30**

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a				
	b Membership dues 1b				
	c Fundraising events 1c				
	d Related organizations 1d 64,400.				
	e Government grants (contributions) 1e				
	f All other contributions, gifts, grants, and similar amounts not included above 1f 3,500.				
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f ▶	67,900.			
Program Service Revenue	2a <u>PATIENT REVENUE</u> Business Code 621990	113,746,728.	113,746,728.	0.	0.
	b <u>LABORATORY FEES</u> 621990	80,159,291.	72,552,003.	7,607,288.	0.
	c <u>PHARMACY REVENUE</u> 446110	5,731,167.	5,731,167.	0.	0.
	d <u>CAFETERIA REVENUE</u> 722210	1,165,764.	0.	0.	1,165,764.
	e <u>TRAUMA CENTER REVENUE</u> 621990	498,922.	498,922.	0.	0.
	f All other program service revenue 624100	320,339.	320,339.		
	g Total. Add lines 2a-2f ▶	201,622,211.			
	3 Investment income (including dividends, interest, and other similar amounts) ▶	738,682.			738,682.
4 Income from investment of tax-exempt bond proceeds ▶	0.				
5 Royalties ▶	0.				
Other Revenue	6a Gross Rents. (i) Real 2,827,047.				
	b Less: rental expenses (ii) Personal 1,039,877.				
	c Rental income or (loss) 1,787,170.				
	d Net rental income or (loss) ▶	1,787,170.			1,787,170.
	7a Gross amount from sales of assets other than inventory (i) Securities 26,173,813. (ii) Other 1,106,533.				
	b Less cost or other basis and sales expenses 24,821,641. 1,202,404.				
	c Gain or (loss) 1,352,172. -95,871.				
	d Net gain or (loss) ▶	1,256,301.			1,256,301.
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18 a				
	b Less: direct expenses b				
	c Net income or (loss) from fundraising events ▶	0.			
	9a Gross income from gaming activities See Part IV, line 19 a				
	b Less: direct expenses b				
	c Net income or (loss) from gaming activities ▶	0.			
	10a Gross sales of inventory, less returns and allowances a				
	b Less: cost of goods sold b				
	c Net income or (loss) from sales of inventory ▶	0.			
	Miscellaneous Revenue		Business Code		
11a <u>HEALTH AND FITNESS</u> 713940	799,001.	0.	510,533.	288,468.	
b <u>PURCHASE DISCOUNTS</u> 900099	398,906.	0.	0.	398,906.	
c <u>MISCELLANEOUS REVENUE</u> 900099	42,408.	0.	0.	42,408.	
d All other revenue		0.			
e Total. Add lines 11a-11d ▶	1,240,315.				
12 Total revenue. See instructions ▶	206,712,579.	192,849,159.	8,117,821.	5,677,699.	

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 . . .	130,967.	130,967.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	2,997,329.		2,997,329.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	72,366,890.	62,707,714.	9,659,176.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,541,202.		3,541,202.	
9 Other employee benefits	12,111,521.		12,111,521.	
10 Payroll taxes	4,962,960.		4,962,960.	
11 Fees for services (non-employees):				
a Management	0.			
b Legal	808,238.		808,238.	
c Accounting	156,659.		156,659.	
d Lobbying	0.			
e Professional fundraising services See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	25,672,128.	14,584,883.	11,087,245.	
12 Advertising and promotion	499,242.		499,242.	
13 Office expenses	511,651.	103,072.	408,579.	
14 Information technology	550,806.		550,806.	
15 Royalties	0.			
16 Occupancy	5,829,037.	4,721,520.	1,107,517.	
17 Travel	576,096.	342,903.	233,193.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	835,075.		835,075.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	12,386,687.	10,033,216.	2,353,471.	
23 Insurance	3,111,871.		3,111,871.	
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 <u>PATIENT CHARGEABLE SUPPLIES</u>	12,048,522.	12,048,522.	0.	0.
b <u>BAD DEBTS</u>	22,527,896.	0.	22,527,896.	0.
c <u>MEDICAL SUPPLIES</u>	29,912,246.	25,853,396.	4,058,850.	0.
d <u>EQUIPMENT RENTAL & MAINT.</u>	10,287,585.	9,290,166.	997,419.	0.
e <u>RECRUITING EXPENSES</u>	400,779.	400,779.	0.	0.
f All other expenses	994,659.	393,480.	601,179.	0.
25 Total functional expenses. Add lines 1 through 24f	223,220,046.	140,610,618.	82,609,428.	0.
26 Joint Costs. Check here <input 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) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	141,927.	1	237,894.
	2 Savings and temporary cash investments	59,663,128.	2	26,520,277.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	20,404,178.	4	39,709,513.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net	168,456.	7	703,312.
	8 Inventories for sale or use	6,852,937.	8	7,144,607.
	9 Prepaid expenses and deferred charges	1,659,470.	9	3,161,457.
	10 a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 266,102,360.		
	b Less accumulated depreciation	10b 121,418,643.	116,491,229.	10c 144,683,717.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	1,323,896.	12	1,336,040.
	13 Investments - program-related. See Part IV, line 11	2,371,226.	13	2,281,704.
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	38,419,093.	15	46,148,904.
16 Total assets. Add lines 1 through 15 (must equal line 34)	247,495,540.	16	271,927,425.	
Liabilities	17 Accounts payable and accrued expenses	19,999,446.	17	32,783,744.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties	29,965,000.	24	54,891,654.
	25 Other liabilities. Complete Part X of Schedule D	10,916,642.	25	38,029,978.
	26 Total liabilities. Add lines 17 through 25	60,881,088.	26	125,705,376.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	186,614,452.	27	146,222,049.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	186,614,452.	33	146,222,049.
34 Total liabilities and net assets/fund balances	247,495,540.	34	271,927,425.	

Form 990 (2010)

Part XI Reconciliation of Net AssetsCheck 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	206,712,579.
2	Total expenses (must equal Part IX, column (A), line 25)	2	223,220,046.
3	Revenue less expenses. Subtract line 2 from line 1	3	-16,507,467.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	186,614,452.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-23,884,936.
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	146,222,049.

Part XII Financial Statements and ReportingCheck 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?		X
b Were the organization's financial statements audited by an independent accountant?	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form **990** (2010)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization

ANDERSON REGIONAL MEDICAL CENTER

Employer identification number

64-0362400

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

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

- 1 ☐ A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2 ☐ A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3 ☒ A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4 ☐ A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 ☐ A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f ☐ If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box: _____
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? _____
- (ii) A family member of a person described in (i) above? _____
- (iii) A 35% controlled entity of a person described in (i) or (ii) above? _____
- h Provide the following information about the supported organization(s).

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2010

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2009 Schedule A, Part II, line 14	15	%
16a 33 1/3 % support test - 2010. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3 % support test - 2009. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
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		<input type="checkbox"/>
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		<input type="checkbox"/>
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		<input type="checkbox"/>

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

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

Section A. Public Support

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

Section B. Total Support

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

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	%
19 a 33 1/3 % support tests - 2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 33 1/3 % support tests - 2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		

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

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

ANDERSON REGIONAL MEDICAL CENTER

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

Employer identification number

64-0362400

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?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

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

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

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

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

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

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

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

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

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

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

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

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

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

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

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

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2010

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

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

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

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

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

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

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

b If "Yes," explain the arrangement in Part XI V and complete the following table:

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

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

b If "Yes," explain the arrangement in Part XI V.

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

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

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

- (i) unrelated organizations
 (ii) related organizations

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		10,021,886.		10,021,886.
b Buildings		148,740,577.	56,404,843.	92,335,734.
c Leasehold improvements				
d Equipment		105,778,937.	64,119,020.	41,659,917.
e Other		1,560,960.	894,780.	666,180.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c)				144,683,717.

Schedule D (Form 990) 2010

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
(I) _____		

Total. (Column (b) must equal Form 990, Part X, col (B) line 12.) ▶

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) _____		
(2) _____		
(3) _____		
(4) _____		
(5) _____		
(6) _____		
(7) _____		
(8) _____		
(9) _____		
(10) _____		

Total. (Column (b) must equal Form 990, Part X, col (B) line 13.) ▶

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

(a) Description	(b) Book value
(1) INTERCOMPANY RECEIVABLE	35,509,322.
(2) SELF INSURANCE TRUST FUND	9,405,586.
(3) CSV - RETIREMENT FUNDS (457B)	1,152,271.
(4) MHA WORKERS COMPENSATION DEP.	54,354.
(5) OTHER LIMITED AS TO USE ASSETS	27,371.
(6) _____	
(7) _____	
(8) _____	
(9) _____	
(10) _____	

Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶

46,148,904.

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

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) INTERCOMPANY PAYABLE	27,943,865.
(3) ACCRUED LIABILITY CLAIMS	8,699,384.
(4) ASSET RETIREMENT OBLIGATIONS	664,126.
(5) CAPITAL LEASE OBLIGATIONS	722,603.
(6) _____	
(7) _____	
(8) _____	
(9) _____	
(10) _____	
(11) _____	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	38,029,978.

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

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

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

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

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

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

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

Part XIV Supplemental Information

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

SEE PAGE 5

Part XIV Supplemental Information (continued)

SUPPLEMENTAL INFORMATION 1

SCHEDULE D, PART X, LINE 2: ASC TOPIC 740 (FIN 48) FOOTNOTE

ANDERSON REGIONAL MEDICAL CENTER AND SUBSIDIARIES (THE SYSTEM) APPLIES FASB ASC TOPIC 740, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES (TOPIC 740), WHICH CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAX POSITIONS AND PROVIDES GUIDANCE ON WHEN TAX POSITIONS ARE RECOGNIZED IN AN ENTITY'S FINANCIAL STATEMENTS AND HOW THE VALUES OF THESE POSITIONS ARE DETERMINED. THERE HAS BEEN NO IMPACT ON THE SYSTEM'S COMBINED FINANCIAL STATEMENTS AS A RESULT OF TOPIC 740.

SCHEDULE H
(Form 990)

Hospitals

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization

Employer identification number

ANDERSON REGIONAL MEDICAL CENTER

64-0362400

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	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year.		
<input checked="" type="checkbox"/> Applied uniformly to all hospital facilities		
<input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
c If the organization did 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 used 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"?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<input type="checkbox"/>	<input type="checkbox"/>
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6a Did the organization prepare a community benefit report during the tax year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b If "Yes," did the organization make it available to the public?	<input type="checkbox"/>	<input type="checkbox"/>

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)			2,568,095.		2,568,095.	1.28
b Unreimbursed Medicaid (from Worksheet 3, column a)						
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			2,568,095.		2,568,095.	1.28
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	30	5328	94,503.	8,794.	85,709.	.04
f Health professions education (from Worksheet 5)	1	6	248.	150.	98.	
g Subsidized health services (from Worksheet 6)	1		323,600.		323,600.	.16
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)	2		336,679.		336,679.	.17
j Total. Other Benefits	34	5334	755,030.	8,944.	746,086.	.37
k Total. Add lines 7d and 7j	34	5334	3,323,125.	8,944.	3,314,181.	1.65

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Schedule H (Form 990) 2010

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	Yes	No
1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		X
2 Enter the amount of the organization's bad debt expense (at cost)	2	7,042,868.
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	400,000.
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 in community benefit		

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	67,128,209.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	64,390,139.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	2,738,070.
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 during the tax year?	9a	X
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X

Part IV Management Companies and Joint Ventures

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

Part V Facility Information**Section A. Hospital Facilities**

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

How many hospital facilities did the organization operate during the tax year? 2**Name and address**

1 ANDERSON REGIONAL MEDICAL CENTER
2124 14TH STREET
MERIDIAN MS 39301

2 ANDERSON REGIONAL MEDICAL CENTER SOUTH
1102 CONSTITUTION AVENUE
MERIDIAN MS 39301

3

4

5

6

7

8

9

10

11

12

13

14

15

16

Licensed hospital

General medical & surgical

Children's hospital

Teaching hospital

Critical access hospital

Research facility

ER-24 hours

ER-other

Other (describe)

X

X

X

X

X

Part V Facility Information (continued)**Section B. Facility Policies and Practices**

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

Name of Hospital Facility: ANDERSON REGIONAL MEDICAL CENTER**Line Number of Hospital Facility (from Schedule H, Part V, Section A):** 1

Yes No

Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)

1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8.

1

If "Yes," indicate what the Needs Assessment describes (check all that apply):

- a ☐ A definition of the community served by the hospital facility
- b ☐ Demographics of the community
- c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community
- d ☐ How data was obtained
- e ☐ The health needs of the community
- f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups
- g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs
- h ☐ The process for consulting with persons representing the community's interests
- i ☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs
- j ☐ Other (describe in Part VI)

2 Indicate the tax year the hospital facility last conducted a Needs Assessment: 20

3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted

3

4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI

4

5 Did the hospital facility make its Needs Assessment widely available to the public?

5

If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):

- a ☐ Hospital facility's website
- b ☐ Available upon request from the hospital facility
- c ☐ Other (describe in Part VI)

6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):

- a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community
- b ☐ Execution of the implementation strategy
- c ☐ Participation in the development of a community-wide community benefit plan
- d ☐ Participation in the execution of a community-wide community benefit plan
- e ☐ Inclusion of a community benefit section in operational plans
- f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment
- g ☐ Prioritization of health needs in its community
- h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community
- i ☐ Other (describe in Part VI)

7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs

7

Financial Assistance Policy

Did the hospital facility have in place during the tax year a written financial assistance policy that

8 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?

8

9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?

9

If "Yes," indicate the FPG family income limit for eligibility for free care: %

Part V Facility Information (continued)**Section B. Facility Policies and Practices**

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

Name of Hospital Facility: ANDERSON REGIONAL MEDICAL CENTER SOUTH**Line Number of Hospital Facility (from Schedule H, Part V, Section A):** 2

Yes No

Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)**1** During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8. **1**

If "Yes," indicate what the Needs Assessment describes (check all that apply):

- a** ☐ A definition of the community served by the hospital facility
- b** ☐ Demographics of the community
- c** ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community
- d** ☐ How data was obtained
- e** ☐ The health needs of the community
- f** ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups
- g** ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs
- h** ☐ The process for consulting with persons representing the community's interests
- i** ☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs
- j** ☐ Other (describe in Part VI)

2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 **3** In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted **3****4** Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI **4****5** Did the hospital facility make its Needs Assessment widely available to the public? **5**

If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):

- a** ☐ Hospital facility's website
- b** ☐ Available upon request from the hospital facility
- c** ☐ Other (describe in Part VI)

6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):

- a** ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community
- b** ☐ Execution of the implementation strategy
- c** ☐ Participation in the development of a community-wide community benefit plan
- d** ☐ Participation in the execution of a community-wide community benefit plan
- e** ☐ Inclusion of a community benefit section in operational plans
- f** ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment
- g** ☐ Prioritization of health needs in its community
- h** ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community
- i** ☐ Other (describe in Part VI)

7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs **7****Financial Assistance Policy**

Did the hospital facility have in place during the tax year a written financial assistance policy that:

8 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? **8****9** Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? **9**If "Yes," indicate the FPG family income limit for eligibility for free care: %

Part V Facility Information (continued) ANDERSON REGIONAL MEDICAL CENTER

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care: _ _ _ %	10	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply):	11	
a	<input type="checkbox"/> Income level		
b	<input type="checkbox"/> Asset level		
c	<input type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
12	Explained the method for applying for financial assistance?	12	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	13	
a	<input type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input type="checkbox"/> The policy was available on request		
g	<input type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other actions (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to perform any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply):	16	
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other actions (describe in Part VI)		
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply):		
a	<input type="checkbox"/> Notified patients of the financial assistance policy on admission		
b	<input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c	<input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d	<input type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance		
e	<input type="checkbox"/> Other (describe in Part VI)		

Schedule H (Form 990) 2010

Part V Facility Information (continued) ANDERSON REGIONAL MEDICAL CENTER SOUTH

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care: _ _ _ %	10	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply):	11	
a	<input type="checkbox"/> Income level		
b	<input type="checkbox"/> Asset level		
c	<input type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
12	Explained the method for applying for financial assistance?	12	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	13	
a	<input type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input type="checkbox"/> The policy was available on request		
g	<input type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other actions (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to perform any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply):	16	
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other actions (describe in Part VI)		
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply):		
a	<input type="checkbox"/> Notified patients of the financial assistance policy on admission		
b	<input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c	<input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d	<input type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance		
e	<input type="checkbox"/> Other (describe in Part VI)		

Schedule H (Form 990) 2010

Part V Facility Information (continued) ANDERSON REGIONAL MEDICAL CENTER**Policy Relating to Emergency Medical Care**

	Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply):	18	
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions b <input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI) d <input type="checkbox"/> Other (describe in Part VI)		
Charges for Medical Care		
19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply): a <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility c <input type="checkbox"/> The hospital facility used the Medicare rate for those services d <input type="checkbox"/> Other (describe in Part VI)		
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI.	20	
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for any service provided to that patient? If "Yes," explain in Part VI	21	

Schedule H (Form 990) 2010

Part V Facility Information (continued) ANDERSON REGIONAL MEDICAL CENTER SOUTH**Policy Relating to Emergency Medical Care**

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

Charges for Medical Care

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

Schedule H (Form 990) 2010

Part V Facility Information (continued)**Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

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

How many non-hospital facilities did the organization operate during the tax year? 3

Name and address	Type of Facility (describe)
1 EAST MISSISSIPPI ENDOSCOPIC CLINIC 1926 23RD AVENUE MERIDIAN MS 39301	OUTPATIENT ENDOSCOPY AMBULATORY SURGICAL CENTER
2 REGIONAL MEDICAL SUPPORT CENTER 2115 13TH STREET MERIDIAN MS 39301	INDEPENDENT DIAGNOSTIC IMAGING CENTER
3 ANDERSON CARDIAC SURGICAL ASSOCIATES 1400 20TH AVENUE MERIDIAN MS 39301	CARDIAC SURGICAL CENTER
4	
5	
6	
7	
8	
9	
10	

Schedule H (Form 990) 2010

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
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- 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 hospitals 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.

SUPPLEMENTAL INFORMATION 1

PART I, LINE 3C:

ANDERSON REGIONAL MEDICAL CENTER USES THE FEDERAL POVERTY GUIDELINES

(FPG) TO ESTABLISH CHARITY CARE POLICIES.

SUPPLEMENTAL INFORMATION 2

PART I, LINE 6A:

ANDERSON REGIONAL MEDICAL CENTER DOES NOT CURRENTLY PREPARE A COMMUNITY

BENEFIT REPORT BUT IS IN THE PROCESS OF PREPARING A COMMUNITY REPORT TO

PROVIDE TO THE COMMUNITY.

SUPPLEMENTAL INFORMATION 3

PART I, LINE 7G:

THE SUBSIDIZED SERVICE COST REPORTED AS A COMMUNITY BENEFIT RELATES TO

THE HOSPITAL'S SPORTS MEDICINE PROGRAM. THE MAIN FOCUS OF THE PROGRAM IS

COVERING SPORTING EVENTS FOR SEVEN SCHOOLS IN LAUDERDALE COUNTY AND THE

SURROUNDING AREA WITH EACH SCHOOL HAVING BETWEEN 250 TO 300 SPORTING

EVENTS IN A GIVEN YEAR. AT THESE EVENTS, THE TRAINERS FOCUS ON INJURY

Part VI Supplemental Information

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PREVENTION, EQUIPMENT MAINTENANCE, INJURY EVALUATION, FIRST AID AND
 REHABILITATION OF INJURIES. THIS IS A FREE SERVICE TO ALL THE COVERED
 SCHOOLS. WE ALSO HELP THE SCHOOLS WITH VARIOUS HEALTH FAIRS, FIELD DAYS,
 AND OTHER SCHOOL SPONSORED EVENTS. ATHLETIC TRAINERS ALSO HELP WITH
 SEVERAL AREAS OF TEACHING; ESPECIALLY DURING HOSA COMPETITION (HEALTH
 RELATED ORGANIZATION IN THE SCHOOL). THESE SAME SERVICES ARE ALSO
 PROVIDED AT COMMUNITY RACES SUCH AS ANDERSON CUP RUN, HEART OF DIXIE RUN,
 AND HOPE VILLAGE RUN.

SUPPLEMENTAL INFORMATION 4

PART I, LINE 7, COLUMN F:

THE BAD DEBT EXPENSE OF \$22,527,896 WAS INCLUDED ON FORM 990 PART IX,
 LINE 25, COLUMN (A) BUT WAS SUBTRACTED FOR PURPOSES OF CALCULATING THE
 PERCENTAGES IN THIS COLUMN.

Part VI Supplemental Information

Complete this part to provide the following information

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

SUPPLEMENTAL INFORMATION 5

PART I, LINE 7:

THE COST TO CHARGE RATIO WAS USED TO DETERMINE THE FINANCIAL ASSISTANCE
AND MEANS-TEST GOVERNMENT PROGRAM SECTIONS. THIS COST TO CHARGE RATIO
WAS DERIVED FROM WORKSHEET 2: RATIO OF PATIENT CARE COST-TO-CHARGE AND
USED TO DETERMINE THE AMOUNTS FOR PART I, LINE 7A.

SUPPLEMENTAL INFORMATION 6

PART III, SECTION A, LINE 4:

THE COST REPORTED ON LINE 2 IS CALCULATED AS THE BAD DEBT EXPENSE FROM
THE GENERAL LEDGER TIMES THE RATIO OF COST TO CHARGES AS CALCULATED ON
WORKSHEET 2. DISCOUNTS ON PATIENT ACCOUNTS ARE NOT INCLUDED IN BAD DEBT
EXPENSE. PAYMENTS RECEIVED AFTER BAD DEBTS ARE POSTED TO A BAD DEBT
RECOVERY ACCOUNT. THIS ACCOUNT IS NETTED AGAINST THE BAD DEBT EXPENSE
ACCOUNT. THE HOSPITAL THINKS \$400,000 SHOULD QUALIFY AS CHARITY CARE. THE
FACILITY HAS PROCEDURES IN PLACE TO DETERMINE IF A PATIENT QUALIFIES FOR
CHARITY CARE. THE PER CAPITA INCOME FOR THE AREA IS APPROXIMATELY
\$20,840 AND THE PERCENTAGE OF PERSONS BELOW THE POVERTY LEVEL FOR THE

Part VI Supplemental Information

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AREA IS APPROXIMATELY 23.9%.

FINANCIAL STATEMENT FOOTNOTE:

THE MEDICAL CENTER PROVIDES FOR AN ALLOWANCE AGAINST PATIENT ACCOUNTS

RECEIVABLE FOR AMOUNTS THAT COULD BECOME UNCOLLECTIBLE WHEREBY SUCH

RECEIVABLES ARE REDUCED TO THEIR ESTIMATED NET REALIZABLE VALUE. THE

MEDICAL CENTER ESTIMATES THIS ALLOWANCE BASED ON THE AGING OF ACCOUNTS

RECEIVABLE, HISTORICAL COLLECTION EXPERIENCE, AND OTHER RELEVANT FACTORS.

THERE ARE VARIOUS FACTORS THAT CAN IMPACT THE COLLECTION TRENDS, SUCH AS

CHANGES IN THE ECONOMY, WHICH IN TURN HAVE AN IMPACT ON UNEMPLOYMENT

RATES AND THE NUMBER OF UNINSURED AND UNDERINSURED PATIENTS, THE

INCREASED BURDEN OF COPAYMENTS TO BE MADE BY PATIENTS WITH INSURANCE, AND

BUSINESS PRACTICES RELATED TO COLLECTION EFFORTS. THESE FACTORS

CONTINUOUSLY CHANGE AND CAN HAVE AN IMPACT ON COLLECTION TRENDS AND THE

ESTIMATION PROCESS.

Part VI Supplemental Information

Complete this part to provide the following information.

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

SUPPLEMENTAL INFORMATION 7

PART III, SECTION A, LINE 8:

THE FISCAL YEAR 2011 MEDICARE COST REPORT WAS USED TO DETERMINE THE
 MEDICARE ALLOWABLE COST AND THE MEDICARE REVENUE. THE MEDICARE REVENUE
 INCLUDES MEDICARE DISPROPORTIONATE SHARE PAYMENT, REVENUE, COINSURANCE,
 PATIENT DEDUCTIBLES, OUTLIERS, CAPITAL AND BAD DEBT.

THE ELDERLY (AGE 65 AND OVER) MAKES UP 14.1% OF THE POPULATION FOR THIS
 AREA. THE ELDERLY LIVE ON FIXED INCOMES AND FALL INTO LOW INCOME LEVELS
 FOR THE AREA. ANDERSON REGIONAL MEDICAL CENTER'S PATIENT POPULATION FOR
 THE FISCAL YEAR ENDING SEPTEMBER 30, 2011 WAS MADE UP OF 53% MEDICARE.

SUPPLEMENTAL INFORMATION 8

PART III, SECTION C, LINE 9B:

CARE IS PROVIDED TO ALL PERSONS REGARDLESS OF THEIR ABILITY TO PAY.
 ANDERSON REGIONAL MEDICAL CENTER'S COLLECTION POLICY OUTLINES THE TYPE OF
 COLLECTION NOTICES SUCH AS STATEMENTS, LETTERS, AND PHONE CALLS THAT WILL
 BE SENT TO A PATIENT, THE DETERMINATION OF FINANCIAL ASSISTANCE, AND

Part VI Supplemental Information

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- 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.

POSSIBLE FINANCIAL ALTERNATIVES. THE FACILITY MAELS STATEMENTS EVERY 30

DAYS. IF NO PAYMENT IS RECEIVED ON AN ACCOUNT, THE COLLECTION LETTER

PROCESS BEGINS AND A LETTER IS SENT EVERY 30 DAYS. DURING THE PROCESS,

COLLECTION PHONE CALLS ARE ALSO MADE TO THE PATIENTS. WHEN FURTHER

COLLECTION ACTION IS DEEMED NECESSARY, AN ACCOUNT IS ASSIGNED TO THE

COLLECTION AGENCY. AS PART OF THE COLLECTION POLICY, ANDERSON REGIONAL

MEDICAL CENTER OFFERS FINANCIAL ASSISTANCE TO ITS PATIENTS. PATIENTS WHO

ARE UNABLE TO PAY ARE SCREENED FOR ASSISTANCE UNDER MEDICAID AND/OR OTHER

GOVERNMENTAL PROGRAMS. PATIENTS WHO DO NOT QUALIFY UNDER THESE PROGRAMS

MAY BE ELIGIBLE FOR CHARITY ADJUSTMENTS BASED UPON THE FEDERAL POVERTY

GUIDELINES. A CHARITY ADJUSTMENT IS BASED ON THE PATIENT'S INCOME LEVEL.

PATIENTS BEING CONSIDERED FOR CHARITY WRITE-OFF MUST COMPLETE A FINANCIAL

APPLICATION AND PROVIDE DOCUMENTATION TO SUPPORT THEIR INCOME LEVEL. WHEN

THE PATIENT MEETS THE ESTABLISHED GUIDELINES, THE HOSPITAL WILL THEN

ADJUST THE BALANCE BY THE APPLICABLE CHARITY PERCENTAGE. PATIENTS WHO DO

NOT QUALIFY FOR CHARITY CARE ARE ALSO ASSISTED BY THE FACILITY. THE

HOSPITAL WILL ASSIST THOSE PATIENTS UNABLE TO MEET THEIR OBLIGATION IN

FULL BY ARRANGING PAYMENT ON A MONTHLY BASIS.

Part VI Supplemental Information

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SUPPLEMENTAL INFORMATION 9

PART VI, LINE 2: NEEDS ASSESSMENT

IN RESPONSE TO FEDERAL REQUIREMENTS FOR NOT-FOR-PROFIT HOSPITALS, AS

MANDATED BY THE PATIENT PROTECTION AND AFFORDABLE CARE ACT OF 2010,

ANDERSON REGIONAL MEDICAL CENTER AND RUSH FOUNDATION HOSPITAL JOINTLY

CONDUCTED A COMPREHENSIVE ASSESSMENT OF THE HEALTHCARE NEEDS OF THE

MERIDIAN AND LAUDERDALE COUNTY MISSISSIPPI HEALTH SERVICE REGION.

ALTHOUGH HOSPITALS ARE INDEPENDENTLY OBLIGATED TO CONDUCT COMMUNITY

HEALTH NEEDS ASSESSMENTS, THE LAW ALLOWS FOR COLLABORATION AND OFFICIALS

AT ANDERSON REGIONAL MEDICAL CENTER AND RUSH FOUNDATION HOSPITAL

DETERMINED THAT IT WOULD BE PRUDENT TO WORK TOGETHER IN ASSESSING THE

NEEDS OF THEIR SERVICE AREA WHICH, FOR THE MOST PART, OVERLAPS

GEOGRAPHICALLY. THESE HOSPITALS AGREED THAT IT WAS IN THE COMMUNITY'S

BEST INTEREST THAT THEY LEVERAGE COMBINED RESOURCES AND AVOID PITFALLS

EXPECTED WHEN COMMUNITY MEMBERS ARE ASKED TO SIMULTANEOUSLY PARTICIPATE

IN ACTIVITIES THAT IN MOST CASES WOULD BE VIEWED AS REDUNDANT AND PERHAPS

EXCESSIVE.

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PROJECT GOALS

THE PRIMARY GOAL OF THIS PROJECT WAS TO ESTABLISH AN ONGOING,
EVIDENCE-BASED PROCESS OF IDENTIFYING AND PRIORITIZING LOCAL COMMUNITY
HEALTHCARE NEEDS. THE RESULTS OF THIS ASSESSMENT WILL ESTABLISH THE
BASIS FOR PLANNING APPROPRIATE COMMUNITY BENEFIT PROGRAMS TO ADDRESS
THESE IDENTIFIED NEEDS. ADDITIONALLY, THIS INFORMATION WILL BE MADE
WIDELY AVAILABLE SO AS TO BETTER INFORM COMMUNITY LEADERS AND CITIZENS OF
THE HEALTH-RELATED CHALLENGES FACED BY THIS COMMUNITY.

COMMUNITY HEALTH NEEDS ASSESSMENTS TEND TO VARY SUBSTANTIALLY IN THEIR
METHODS, SCOPE, AND DEPTH. GUIDELINES STATED IN THE PATIENT PROTECTION
AND AFFORDABLE CARE ACT OF 2010 AND SUBSEQUENT GUIDANCE ISSUED BY THE
IRS, REQUIRE THAT THE ASSESSMENT INCLUDE "INPUT FROM PERSONS WHO
REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY THE HOSPITAL
FACILITY, INCLUDING THOSE WITH SPECIAL KNOWLEDGE OF OR EXPERTISE IN
PUBLIC HEALTH." BEST PRACTICES IN HEALTH NEEDS ASSESSMENTS GENERALLY
INCLUDE HEALTHCARE PROVIDERS, PATIENTS/CONSUMERS, BUSINESS LEADERS, AS
WELL AS STATE AND/OR LOCAL HEALTH EXPERTS. TO MEET THESE GUIDELINES, WE

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EMPLOYED SEVERAL METHODS, BOTH QUALITATIVE AND QUANTITATIVE.

*A SECONDARY ANALYSIS OF EXISTING FEDERAL AND STATE DATA (QUANTITATIVE)

*INTERVIEWS WITH KEY INFORMANTS REPRESENTING THE BROAD INTERESTS OF THE
COMMUNITY, INCLUDING EXPERTS IN PUBLIC HEALTH (QUALITATIVE)

*A FOCUS GROUP OF INDIVIDUALS REPRESENTING THE MOST UNDERSERVED AND/OR
VULNERABLE POPULATION GROUPS IN THIS COMMUNITY (QUALITATIVE)

*AN ONLINE COMMUNITY HEALTH NEEDS SURVEY (QUANTITATIVE/QUALITATIVE)

*A BRIEF PAPER-BASED HEALTH NEEDS SURVEY SPECIFICALLY TARGETED AT THE
UNDERSERVED (QUANTITATIVE/QUALITATIVE)

COMMUNITY DEFINED

WHEN ASSESSING HEALTH NEEDS OF A COMMUNITY, THE "COMMUNITY" MUST FIRST BE

DEFINED. SOME HOSPITALS, (E.G., SPECIALTY HOSPITALS) MAY DEFINE THEIR

COMMUNITY IN TERMS OF GROUPS OF PEOPLE OR DEMOGRAPHIC CATEGORIES. A

WOMEN'S HOSPITAL, FOR INSTANCE WOULD BE PRIMARILY CONCERNED WITH HEALTH

ISSUES FACING WOMEN, AND WOULD THUS FOCUS A NEEDS ASSESSMENT ACCORDINGLY.

COMMUNITY IS MORE TYPICALLY DEFINED AS A GEOGRAPHIC SERVICE AREA FOR

WHICH, IN MOST CASES, THE GREATEST CONCENTRATION OF PATIENTS SERVED IS IN

Part VI Supplemental Information

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THE COUNTY IN WHICH THE HOSPITAL IS LOCATED.

RUSH FOUNDATION HOSPITAL AND ANDERSON REGIONAL MEDICAL CENTER ARE LOCATED

APPROXIMATELY ONE BLOCK FROM EACH OTHER, IN MERIDIAN, THE LARGEST

MUNICIPALITY IN LAUDERDALE COUNTY. FOR THE PURPOSES OF THIS NEEDS

ASSESSMENT, LAUDERDALE COUNTY WILL BE CONSIDERED THE "COMMUNITY" OF

FOCUS. MERIDIAN AND LAUDERDALE COUNTY PLAY HOST TO A MULTITUDE OF OTHER

HEALTHCARE SERVICE AGENCIES, INCLUDING TWO INPATIENT PSYCHIATRIC

HOSPITALS, ONE FEDERALLY QUALIFIED COMMUNITY HEALTH CENTER, ONE COMMUNITY

MENTAL HEALTH CENTER, AS WELL AS SEVERAL NURSING HOMES, SPECIALTY

CLINICS, AND OUTPATIENT FACILITIES. IN FACT, APPROXIMATELY 15% OF THE

WORKFORCE IN LAUDERDALE COUNTY IS EMPLOYED IN THE HEALTH AND SOCIAL

SERVICES SECTOR, MAKING HEALTHCARE SERVICES A VERY IMPORTANT ECONOMIC

ENGINE FOR THE REGION.

THE COUNTIES SURROUNDING LAUDERDALE COUNTY HAVE A RANGE OF HEALTHCARE

SERVICE PROVIDERS AS WELL, INCLUDING HOSPITALS, CLINICS, ETC., AND IN

MOST CASES, WILL BE CONDUCTING THEIR OWN RESPECTIVE COUNTY-LEVEL

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ASSESSMENT IN THE FUTURE. YET, IT IS IMPORTANT TO NOTE THAT THE HOSPITALS

SPONSORING THIS STUDY SERVE AS TERTIARY CARE CENTERS FOR THE SURROUNDING

COUNTIES. THEREFORE, WE HAVE DEFINED OUR COMMUNITY GEOGRAPHICALLY

(LAUDERDALE COUNTY) AS WELL AS DEMOGRAPHICALLY (ANY NON-LAUDERDALE CO.

RESIDENT WHO REGULARLY SEEKS HEALTHCARE SERVICES IN LAUDERDALE CO). THUS

WE OPTED TO SEEK INPUT FROM THE SURROUNDING COUNTIES THROUGH AN ONLINE

SURVEY. IN AGGREGATE, NON-LAUDERDALE CO. PARTICIPANTS REPRESENTED 28.5%

OF THE ONLINE SURVEY RESPONDENTS. ALTHOUGH, NO FACE-TO-FACE ASSESSMENT

ACTIVITY WAS CONDUCTED OUTSIDE OF LAUDERDALE CO., SEVERAL OF THE KEY

INFORMANTS AND FOCUS GROUP PARTICIPANTS REPRESENTED ORGANIZATIONS WHOSE

MISSION INVOLVES SERVICE TO MULTIPLE COUNTIES IN EAST MISSISSIPPI.

METHODS AND PROCESS

AS NOTED ABOVE, THIS ASSESSMENT EMPLOYED A MULTI-METHOD APPROACH THAT

INCLUDED A REVIEW OF EXISTING FEDERAL AND STATE DATA (SECONDARY DATA

ANALYSIS) PAIRED WITH NEWLY GATHERED DATA FROM THE COMMUNITY (PRIMARY

DATA ANALYSIS). THE INITIAL STEP IN THIS PROCESS WAS TO CONDUCT "KEY

INFORMANT" INTERVIEWS. KEY INFORMANTS ARE INDIVIDUALS WHO ARE HEAVILY

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INVOLVED WITH AND KNOWLEDGEABLE ABOUT THE COMMUNITY OF FOCUS. THIS
 INCLUDES COMMUNITY LEADERS IN THE PUBLIC AND PRIVATE SECTOR, AS WELL AS
 INDIVIDUALS WITH SPECIAL EXPERTISE IN HEALTHCARE. INFORMATION GATHERED
 THROUGH THESE INTERVIEWS, PAIRED WITH PUBLIC HEALTH INFORMATION, VITAL
 STATISTICS, AND ECONOMIC DATA PROVIDE A VERY GOOD SNAPSHOT OF THE
 COMMUNITY'S HEALTH NEEDS. ADDITIONAL PRIMARY DATA COLLECTION WAS
 CONDUCTED USING A WEB-BASED (I.E., ONLINE) COMMUNITY HEALTH NEEDS SURVEY.
 AN ACCEPTABLE SAMPLE WAS ACHIEVED. HOWEVER, UPON EXAMINATION OF THE
 DEMOGRAPHIC DATA OF THE PARTICIPANTS, IT BECAME CLEAR THAT WE SHOULD TAKE
 ADDITIONAL STEPS TO ENSURE THAT LOW-INCOME AND UNDERSERVED POPULATIONS
 WERE BETTER REPRESENTED. ASSUMING A LACK OF AVAILABILITY OF
 TECHNOLOGICAL RESOURCES FOR THIS SEGMENT OF THE POPULATION, A BRIEF PAPER
 SURVEY WAS DEVELOPED AND ADMINISTERED IN LOW INCOME, MINORITY
 NEIGHBORHOODS. TO FURTHER AUGMENT OUR UNDERSTANDING OF THE NEEDS OF THE
 UNDERSERVED, A FOCUS GROUP WAS HELD FOR THE SPECIFIC PURPOSE OF GATHERING
 IDEAS ABOUT HOW TO BETTER SERVE THOSE WITH THE GREATEST HEALTH RISK:
 LOW-INCOME, ELDERLY, MINORITY, DISABLED, AND CHILDREN/YOUTH POPULATIONS.

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THIS REPORT PROVIDES AN OVERVIEW OF THE INFORMATION GLEANED FROM THIS
EXTENSIVE PROCESS.

KEY INFORMANT INTERVIEWS WERE CONDUCTED AND SIMILAR RESPONSES WERE NOTED
REGARDING BROAD BASED HEALTH NEEDS IN THIS COMMUNITY AND REGION. THESE
"MAJOR THEMES" REFLECTED MUCH OF WHAT IS KNOWN THROUGH STATE AND NATIONAL
HEALTH DATABASES. THE INTERVIEWS DID, HOWEVER, YIELD MORE INTERESTING
INFORMATION. THE INFORMANTS' PROPOSED CAUSES OF AND SOLUTIONS TO HEALTH
PROBLEMS/NEEDS VARIED ACCORDING TO THEIR PERSONAL EXPERIENCE AND THE
POPULATION THEY AND THEIR ORGANIZATION SERVE. THE RESULTS OF THESE
INTERVIEWS ARE SUMMARIZED HERE:

GREATEST HEALTH ISSUES:

*LIFESTYLE-RELATED HEALTH PROBLEMS

*OBESITY

*HEART DISEASE

*DIABETES

*STROKE

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*HYPERTENSION

*RENAL FAILURE

*CHILDREN AND YOUTH/ADOLESCENT ISSUES

*OVERWEIGHT/OBESITY

*TEEN PREGNANCY

*SEXUALLY TRANSMITTED DISEASES

*DRUG AND ALCOHOL USE

*LACK OF PREVENTIVE CARE

*MENTAL HEALTH

*ORAL CARE

POTENTIAL ROOT CAUSES:

*POVERTY: OFTEN, IT WAS NOTED, THAT POVERTY PLAYS A ROLE IN MAKING IT

MORE DIFFICULT TO AFFORD HEALTHCARE SERVICES AND ESPECIALLY MEDICATIONS.

LOW INCOME ALSO TENDS TO BE ASSOCIATED WITH SHORT TERM PRIORITIES.

PREVENTIVE CARE/ROUTINE CHECKUPS ARE NOT TYPICALLY VIEWED AS ONE OF THESE

PRIORITIES. LACK OF FINANCIAL RESOURCES CREATES STRESS ON INDIVIDUALS

AND FAMILIES, WHICH CAN EXACERBATE MENTAL HEALTH PROBLEMS ALONG WITH

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ELEVATING POTENTIAL FOR DOMESTIC VIOLENCE.

*CULTURAL ISSUES PLAY A ROLE THAT SPANS ACROSS INCOME GROUPS. TRADITIONAL

SOUTHERN FOODS TEND TO BE HIGH IN FAT AND SUGAR, BOOSTING OVERALL CALORIC

INTAKE. THE "FAMILY UNIT" WAS ALSO BROUGHT INTO QUESTION. WITH HECTIC

LIFESTYLES BEING THE NORM, FAST FOOD DRIVE THROUGH WINDOWS HAVE

SUPPLANTED COOKING AT HOME. ON MORE THAN ONE OCCASION, IT WAS NOTED THAT

LACK OF EXERCISE SEEMS TO ALSO STEM FROM ONE'S CULTURE. FOR EXAMPLE,

WOMEN, IN ORDER TO MAINTAIN STYLISH HAIR, OFTEN FORGO EXERCISE SO THAT

THEY MAY AVOID SWEATING AND CONSEQUENTLY RUINING THEIR HAIR STYLE. MEN

WHO DO MANUAL LABOR OFTEN THINK THAT WORK IS EXERCISE (AND IT IS, TO A

GREAT EXTENT) HOWEVER, WITHOUT AEROBIC EXERCISE, THEY STILL MAY

EVENTUALLY SUFFER CARDIOVASCULAR PROBLEMS.

*LACK OF EDUCATION ABOUT THE RELEVANCE AND IMPORTANCE OF PREVENTIVE CARE

AND HEALTHY LIFESTYLES.

*CHILDREN'S "LIFESTYLE-RELATED" HEALTH ISSUES, TO A LARGE EXTENT, FIND

THEIR ROOT CAUSE IN THE HOME AND SCHOOL SYSTEMS IN WHICH CHILDREN LIVE.

NORMS HAVE SHIFTED. PARENTS ALLOW CHILDREN TO CONSUME EXCESSIVE "JUNK

FOOD," AND DON'T ENCOURAGE PHYSICAL ACTIVITY (E.G., OUTDOOR FREE PLAY).

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SCHOOLS, OVER THE YEARS, HAVE LIMITED ACCESS TO FREE PLAY AND CEASED
REQUIRING STUDENTS TO PARTICIPATE IN PE CLASSES, AND/OR SPORTS. EACH OF
THESE, ALONG WITH EXCESSIVE SEDENTARY "SCREEN TIME," HAVE LED TO A YOUTH
OBESITY CRISIS THAT IS SURE TO HAVE SIGNIFICANTLY DETRIMENTAL LONG-TERM
HEALTH AND ECONOMIC OUTCOMES.

SUPPLEMENTAL INFORMATION 10

PART VI, LINE 3: PATIENT EDUCATION - ELIGIBILITY ASSISTANCE

PATIENT EDUCATION OF ELIGIBILITY ASSISTANCE IS OFFERED AT THE FACILITY BY
VARIOUS MEANS. THE HOSPITAL HAS ON SITE THE OUTSOURCE GROUP THAT WORKS
WITH THE PATIENTS WHO DO NOT HAVE INSURANCE TO DETERMINE IF THEY ARE
ELIGIBLE FOR MEDICAID OR ANY GOVERNMENT ASSISTANCE. IF THEY ARE NOT
ELIGIBLE, THIS GROUP REFERS THE PATIENT TO THE CREDIT DEPARTMENT TO
DISCUSS THE CHARITY CARE APPLICATION AND POLICY. ALSO THE HOSPITAL HAS
CASE MANAGERS ON SITE THAT SCREENS THE PATIENTS AND REFERS THE PATIENT TO
THE CREDIT DEPARTMENT FOR FINANCIAL ASSISTANCE. THE FACILITY HAS
FINANCIAL COUNSELORS IN THE EMERGENCY DEPARTMENT THAT SCREENS PATIENTS
AND DISTRIBUTES CHARITY CARE APPLICATIONS.

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SUPPLEMENTAL INFORMATION 11

PART VI, LINE 4: COMMUNITY INFORMATION

THE HOSPITAL'S MAIN SERVICE AREA IS LAUDERDALE, NEWTON, CLARKE, LEAKE, KEMPER, NESHOBIA, WINSTON, AND JASPER COUNTIES IN MISSISSIPPI. THE HOSPITAL ALSO SERVICES THE AREAS OF CHOCTAW AND SUMER COUNTIES IN WESTERN ALABAMA. THESE COUNTIES ARE LOCATED IN RURAL AREAS OF THE STATES. ANDERSON REGIONAL MEDICAL CENTER OPERATES THE ONLY COMPREHENSIVE CANCER CENTER IN EAST CENTRAL MISSISSIPPI AND WEST ALABAMA. THE ELDERLY (AGE 65 AND OVER) MAKES UP 14.1% OF THE POPULATION FOR THIS AREA. IN DECEMBER OF 2011, THE UNEMPLOYMENT RATE IN LAUDERDALE COUNTY WAS 10.5%, WHICH WAS HIGHER THAN THE UNEMPLOYMENT RATE IN MISSISSIPPI STATE AND THE UNITED STATES OVERALL, WHICH HAD AN UNEMPLOYMENT RATE OF 10.4% AND 8.3%, RESPECTIVELY. THE PER CAPITA INCOME FOR THE AREA IS APPROXIMATELY \$20,840.

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SUPPLEMENTAL INFORMATION 12

PART VI, LINE 5: PROMOTION OF COMMUNITY HEALTH

CARDIOLOGY AND DIABETES PROGRAMS:

ANDERSON REGIONAL MEDICAL CENTER SPONSORS A HEART CHECK PROGRAM EACH YEAR. THIS IS A PROGRAM THAT THE HOSPITAL HAS CONTINUED TO OFFER FOR THE PAST FIFTEEN YEARS. THE HEART CHECK PROGRAM EDUCATES THE COMMUNITY ON A HEALTHY HEART BY PERFORMING BLOOD PRESSURE CHECKS, CHOLESTEROL CHECKS, WEIGHT AND OTHER CARDIOVASCULAR HEALTH SCREENINGS. OVER 890 AREA RESIDENTS PARTICIPATE IN THIS FREE COMMUNITY SCREENING.

THE DIABETES AND CARDIAC SUPPORT GROUP IS A MONTHLY EDUCATIONAL MEETING HELD FOR THE COMMUNITY. THE PROGRAMS CENTER ON DIABETIC AND CARDIAC CARE SUCH AS THE IMPORTANCE OF EXERCISE AND HEALTHY FOOD CHOICES.

THE HOSPITAL ALSO OFFERS A DIABETES MANAGEMENT CENTER THAT EDUCATES THE COMMUNITY ON THE PREVENTION AND TREATMENT OF DIABETES. THE DIABETES CENTER ALSO PARTICIPATES IN THE ANNUAL MISSISSIPPI WALK FOR DIABETES AND SERVES AS VOLUNTEERS FOR THIS EVENT.

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ANDERSON REGIONAL MEDICAL CENTER IS A MAJOR FINANCIAL SPONSOR OF THE
AMERICAN HEART ASSOCIATION ART FOR HEART. THIS EVENT RAISES A SIGNIFICANT
AMOUNT OF DOLLARS FOR THE AMERICAN HEART ASSOCIATION.

ANDERSON REGIONAL MEDICAL CENTER OFFERS HEALTH FAIRS TO THE COMMUNITY
THROUGH OUR WORKHEALTH PROGRAM. IN ORDER TO IMPROVE THE GENERAL HEALTH OF
THE COMMUNITY, THE WORKHEALTH PROGRAM OFFERS FREE BLOOD PRESSURE CHECKS,
BLOOD SUGAR SCREENINGS, WEIGHT AND BODY MASS INDEX MEASUREMENTS, AND
DISTRIBUTES GENERAL HEALTH EDUCATIONAL MATERIALS. THE HEALTH FAIRS ARE
HELD AT VARIOUS COMPANIES THROUGHOUT THE SERVICE AREAS. THE HOSPITAL ALSO
PARTICIPATES IN THE MAIN EVENT SPONSORED BY EAST MISSISSIPPI BUSINESS
DEVELOPMENT CORPORATION (EMBDC). THIS IS A COMMUNITY WIDE EVENT WHERE WE
OFFER FREE BLOOD PRESSURE SCREENINGS. THE HOSPITAL ALSO PARTICIPATES IN
THE NESHOPA COUNTY FAIR EACH YEAR. THE HOSPITAL PROVIDES BLOOD PRESSURE
SCREENINGS AND FLUIDS FOR THOSE PARTICIPATING IN THIS EVENT.

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CANCER PROGRAMS:

ANDERSON REGIONAL MEDICAL CENTER PROVIDES A LIMITED NUMBER OF FREE
MAMMOGRAM SCREENINGS AT ITS BREAST CARE CLINIC. THIS SERVICE IS PROVIDED
TO THE UNINSURED POPULATION WITHIN THE SERVICE AREAS.

ANDERSON REGIONAL MEDICAL CENTER SPONSORS A RESOURCE ROOM AT THE ANDERSON
REGIONAL CANCER CENTER. THIS RESOURCE ROOM IS DEDICATED TO SUPPLYING
CANCER EDUCATION LITERATURE TO THE PUBLIC. WE ALSO SUPPLY A COMPUTER WITH
INTERNET ACCESS TO CANCER EDUCATIONAL WEBSITES AND CANCER HELP SOFTWARE.
THIS IS A FREE SERVICE AND OPENS TO THE PUBLIC MONDAY THROUGH FRIDAY 8:00
AM UNTIL 5:00 PM.

ANDERSON REGIONAL CANCER CENTER SPONSORS A MEMORIAL CALLED THE CHRISTMAS
TRIBUTE. ALL THE DONATIONS IN MEMORY OF OR IN HONOR OF VARIOUS PEOPLE IN
OUR COMMUNITY GOES TO THE HOSPITAL'S CANCER PATIENT BENEVOLENCE FUND
WHICH ASSISTS AREA CANCER PATIENTS WHO ARE IN NEED OF TRANSPORTATION,
MEDICINES, PAYMENT OF UTILITY BILLS, ETC.
THE MONTHLY MEETINGS OF THE CAREOUSEL BREAST CANCER SUPPORT GROUP ARE

Part VI Supplemental Information

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HELD AT OUR FACILITIES. THE GROUP USES THE MEETING FACILITIES AT THE
CANCER CENTER. THE PURPOSE OF THIS GROUP IS TO PROVIDE INFORMATION AND
SUPPORT FOR BREAST CANCER SURVIVORS.

THE HOSPITAL IN CONJUNCTION WITH THE AMERICAN CANCER SOCIETY SPONSORS THE
"LOOK GOOD, FEEL BETTER" PROGRAM. THIS IS A COMMUNITY EDUCATION PROGRAM
THAT SUPPORTS AREA CANCER PATIENTS AND FAMILIES TO HELP THEM COPE WITH
CANCER, CANCER TREATMENTS, AND EFFECTS.

IN THE FALL OF 2011, AN OSTOMY SUPPORT GROUP WAS ORGANIZED IN CONJUNCTION
WITH THE CANCER CENTER. WE PROVIDE FREE COMMUNITY CANCER SCREENINGS FOR
THE GENERAL PUBLIC THAT CENTER AROUND EARLY DETECTION AND EDUCATION ON
THE PREVENTION OF CANCER. THE PROSTATE SCREENING WAS HELD IN SEPTEMBER
AND OVER 75 MEN PARTICIPATED.

ANDERSON REGIONAL MEDICAL CENTER PARTICIPATES AND IS THE SURVIVOR WALK
SPONSOR FOR THE ANNUAL AMERICAN CANCER SOCIETY RELAY FOR LIFE EVENT. THE
HOSPITAL HAS PARTICIPATED IN THE EVENT SINCE ITS INCEPTION IN 1994.

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OBSTETRICAL AND GYNECOLOGY PROGRAMS:

ANDERSON REGIONAL MEDICAL CENTER IS THE LARGEST PROVIDER OF OBSTETRICAL
AND GYNECOLOGY SERVICES IN EAST MISSISSIPPI AND WEST ALABAMA. THE
SERVICES INCLUDE THOSE OF A NEONATAL INTENSIVE CARE UNIT AND NEONATAL
PHYSICIAN SERVICES. THE FOLLOWING EDUCATIONAL CLASSES ARE OFFERED FREE TO
AREA EXPECTANT MOTHERS AND THEIR FAMILIES:

BIG BROTHER! BIG SISTER! SIBLING CLASSES WHICH INTRODUCE CHILDREN AGE 12
AND UNDER TO THE UPCOMING CHANGES IN THE FAMILY DYNAMICS.

BREAST FEEDING CLASSES PROVIDES INFORMATION ON THE WHY-TO AND HOW-TO OF
BREASTFEEDING TO EXPECTANT PARENTS.

CHILD BIRTH EDUCATION CLASSES IS AN EDUCATION PREPARATION CLASS THAT
ADDRESSES WELLNESS, HEALTH, LABOR/DELIVERY STAGES, COPING STRATEGIES,
SURGICAL INTERVENTIONS, AND RECOVERY CARE FOR EXPECTANT MOTHERS.

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GRANDPARENTING CLASSES IS AN EDUCATION CLASS TO UPDATE GRANDPARENTS ON

THE LATEST INFORMATION ON CARING FOR A NEWBORN.

NEWBORN CARE (BABY-CARE) CLASSES GIVES NEW PARENTS THE CONFIDENCE

REQUIRED TO CARE FOR A BABY WITH DISCUSSIONS CONCERNING NORMAL NEWBORN

BEHAVIOR AND CHARACTERISTICS AT DELIVERY TO PRACTICAL ADVICE FOR DAILY

CARE.

EDUCATIONAL PROGRAMS:

ANDERSON REGIONAL MEDICAL CENTER OFFERS EDUCATIONAL PROGRAMS FOR AREA

MEDICAL PERSONNEL, SCHOOLS, BUSINESS AND THE COMMUNITY.

ADVANCED CARDIAC LIFE SUPPORT COURSE (ACLS) IS OFFERED AS AN EDUCATIONAL

PROGRAM FOR MEDICAL PERSONNEL IN THE AREA. THIS PROGRAM IS OFFERED ONSITE

AT THE HOSPITAL OR OUTSIDE AT OTHER MEDICAL FACILITIES. THE HOSPITAL

COORDINATES AND OFFERS CONTINUE MEDICAL EDUCATION (CME) PROGRAMS TO AREA

PHYSICIANS. THE MAJORITY OF THESE PROGRAMS ARE OPEN TO THE GENERAL

PUBLIC.

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FOR THE AREA MEDICAL PERSONNEL, ANDERSON REGIONAL MEDICAL CENTER OFFERS A
 HEALTHCARE PROVIDER COURSE THAT IS DESIGNED TO TEACH CPR SKILLS FOR
 VICTIMS OF ALL AGES. THIS COURSE IS DESIGNATED FOR HEALTHCARE PROVIDERS.
 ANOTHER COURSE DESIGNATED FOR HEALTHCARE PROVIDERS AND FIRST RESPONDERS
 IS THE HEARTSAVER CPR/AED PROGRAM. THIS CLASS IS FOR PERSONNEL WHO HAVE
 DUTY TO RESPOND TO CARDIAC EMERGENCIES BECAUSE OF JOB REQUIREMENTS OR
 REGULATORY REQUIREMENTS. WE ALSO OFFER A CPR/FIRST AID CLASS, A
 HEARTSAVER CPR COURSE AND A HEARTSAVER FIRST AID COURSE THAT TEACHES THE
 COMMUNITY ABOUT CARDIO PULMONARY RESUSCITATION AND FIRST AID. THIS
 PROGRAM IS OFFERED TO SCHOOL AND BUSINESS IN THE SERVICE AREA. THE
 HOSPITAL ALSO HAS A FAMILY AND FRIENDS CPR CLASS THAT IS OFFERED TO THE
 GENERAL PUBLIC.

ANDERSON REGIONAL MEDICAL CENTER OFFERS EDUCATION PROGRAMS THAT CENTER
 AROUND PEDIATRIC CARE. THE HOSPITAL OFFERS A HEARTSAVER PEDIATRIC FIRST
 AID AND CPR COURSE FOR AREA. THE PEDIATRIC ADVANCED LIFE SUPPORT (PALS)
 COURSE IS ALSO OFFERED TO THE AREA HEALTHCARE PROVIDERS.

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WE ALSO PARTICIPATE IN THE ANNUAL MERIDIAN COMMUNITY COLLEGE PROGRAM

"COLLEGE FOR KIDS". DURING THIS TWO WEEK SESSION NURSES EDUCATE

ELEMENTARY AGE STUDENTS ON THE TECHNIQUES OF INFECTION CONTROL, POISON

CONTROL, NUTRITION, FIRST AID, CPR, A&P, AND NURSING HISTORY.

ANDERSON REGIONAL MEDICAL CENTER DONATED THE START UP SUPPLY COST FOR AN

EPSDT SCREENINGS FOR MEDICAID-ELIGIBLE STUDENTS AT A LOCAL SCHOOL.

OTHER HEALTH CARE SEMINARS:

ANDERSON REGIONAL MEDICAL CENTER OFFERS HEALTH CARE SEMINARS THAT INFORM

THE COMMUNITY ABOUT VARIOUS GENERAL HEALTHCARE TOPICS. THESE EDUCATIONAL

SEMINARS INCLUDE THE SYMPTOMS AND TREATMENTS. SOME AREAS THAT ARE

DISCUSSED ARE BREAST CANCER, MAMMOGRAMS, AND PROSTATE PROBLEMS.

THE INFECTION CONTROL DEPARTMENT OF THE HOSPITAL CONDUCTS FREE INFECTION

CONTROL SEMINARS TO INFORM THE COMMUNITY ON THE CAUSES AND PREVENTIONS OF

INFECTIONS AND DISEASES. THESE ARE TAUGHT AT MERIDIAN COMMUNITY COLLEGE.

THE HOSPITAL OFFERS SAFETY SEMINARS TO AREA BUSINESSES THROUGH THE

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WORKHEALTH DEPARTMENT. THESE SEMINARS CENTER ON OSHA SAFETY INSTRUCTIONS.

A BLOOD PRESSURE CHECK IS ALSO PERFORMED ON THE EMPLOYEES OF THE BUSINESS

DURING THIS SEMINAR.

TRAUMA CENTER:

DURING CALENDAR YEAR 2009, ANDERSON REGIONAL MEDICAL CENTER WAS CERTIFIED

AS A TRAUMA CENTER FOR THE REGION. THE TRAUMA DEPARTMENT CONDUCTS

EDUCATIONAL ACTIVITIES AT LOCAL BUSINESS FOR THE GENERAL PUBLIC ON SAFETY

ISSUES SUCH AS BICYCLE SAFETY.

SPORTS MEDICINE:

ANDERSON REGIONAL MEDICAL CENTER OFFERS A SPORTS MEDICINE PROGRAM THAT

PROVIDES ATHLETIC TRAINERS TO LOCAL SCHOOLS. THE TRAINERS PERFORM

PHYSICALS AND ASSESS INJURIES ON THE ATHLETES.

OTHER EVENTS AND PROGRAMS TO PROMOTE COMMUNITY BENEFIT IN HEALTH AND

EDUCATION:

ANDERSON REGIONAL MEDICAL CENTER IS THE HOSPITAL OF CHOICE FOR THE

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CHOCTAW NATION. THE HOSPITAL PROVIDES HEALTHCARE TO APPROXIMATELY 8,000

NATIVE AMERICANS. A PATIENT LIAISON IS A FULL-TIME EMPLOYEE OF THE

HOSPITAL IN ORDER TO REPRESENT THE NATIVE AMERICANS. THE LIAISON HELPS

THE PATIENT AND FAMILIES WITH ANY HEALTHCARE CONCERNS. WE ARE PROVIDERS

OF PROGRAMS AND SUPPORT TO IMPROVE THE HEALTH OF THE CHOCTAW NATION.

ANDERSON REGIONAL MEDICAL CENTER ACTIVELY PARTICIPATES AND IS A SPONSOR

OF NUMEROUS BLOOD DRIVES THROUGHOUT THE YEAR WITH UNITED BLOOD SERVICES.

ANDERSON REGIONAL MEDICAL CENTER'S VOLUNTEER AUXILIARY DONATES MONEY TO

MERIDIAN COMMUNITY COLLEGE EACH YEAR FOR THE PURCHASE OF EQUIPMENT TO USE

IN THE LEARNING PROCESS FOR NURSING STUDENTS.

ANDERSON REGIONAL MEDICAL CENTER OFFERS A CHAPLAINCY PROGRAM THAT SPEAKS

TO CHURCHES IN THE SERVICE AREA TO EXPLAIN THE CHAPLAINCY PROGRAM AND THE

SERVICES OFFERED.

ANDERSON REGIONAL MEDICAL CENTER IS ACTIVE WITH MIDD (MISSISSIPPI

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INDUSTRIES FOR THE DEVELOPMENTALLY DISABLED). WE HAVE HOSPITAL PERSONNEL

WHO ARE VERY ACTIVE ON THE BOARD OF DIRECTORS OF THIS ASSOCIATION AND

ATTEND MONTHLY MEETINGS.

WE ARE AN ANNUAL SPONSOR OF THE MERIDIAN STAR'S NEWSPAPER IN EDUCATION

(NIE) PROGRAM. THE PROGRAM SUPPLIES AREA SCHOOLS WITH NEWSPAPERS ON A

DAILY BASIS.

ANDERSON REGIONAL MEDICAL CENTER IS AN ACTIVE PARTICIPANT IN THE UNITED

WAY OF EAST MISSISSIPPI PACESETTER DRIVE. THE HOSPITAL PROVIDES FINANCIAL

SUPPORT THROUGH INDUCEMENTS GIVEN TO OUR EMPLOYEES FOR GIVING TO THE

UNITED WAY. THESE INDUCEMENTS VARY FROM A FREE YOGURT TO A FREE MEAL TO A

FREE T-SHIRT.

THE STROKE/ALZHEIMER'S SUPPORT GROUP IS A PROGRAM ORGANIZED BY ANDERSON

REGIONAL MEDICAL CENTER SOUTH. THIS GROUP GIVES INFORMATION AND PROVIDES

FELLOWSHIP FOR CAREGIVERS OF STROKE SURVIVORS.

THE HOSPITAL PROVIDES SPEAKERS FOR AREA SCHOOLS AND CIVIC CLUBS. MANY OF

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THE AREA SCHOOLS RECEIVE SPEAKERS WHO ARE FINANCED BY OUR HOSPITAL. THESE

SPEAKERS ADDRESS SUCH SUBJECTS AS ALCOHOL ABUSE, DRUG ABUSE, AND ANGER

MANAGEMENT.

ANDERSON EMPLOYEES, PARTICULARLY MANAGERS, ARE ENCOURAGED TO PARTICIPATE

IN THE SCIENCE FAIR JUDGING ON HOSPITAL TIME FOR LOCAL SCHOOLS.

THE HOSPITAL ALLOWS HEALTH RELATED GROUPS SUCH AS THE AMERICAN CANCER

SOCIETY, TRANSPLANT SUPPORT GROUP AND MULTIPLE SCLEROSIS SUPPORT GROUP TO

USE OUR MEETING FACILITIES.

ANDERSON REGIONAL MEDICAL CENTER HAS PROVIDED LEADERSHIP FOR MANY OF THE

LOCAL HEALTH ORGANIZATIONS. OUR PERSONNEL HAVE SERVED AS PRESIDENTS OR ON

THE BOARDS OF THE LAUDERDALE COUNTY HEALTH ASSOCIATION, DIABETES

FOUNDATION OF MISSISSIPPI, AMERICAN CANCER SOCIETY, MISSISSIPPI INDUSTRY

FOR THE DEVELOPMENTALLY DISABLED (MIDD) AND UNITED WAY OF EAST

MISSISSIPPI. OTHER ORGANIZATIONS IN WHICH WE PARTICIPATE INCLUDE ROTARY

CLUB, HOPE VILLAGE FOR CHILDREN BOARD, MERIDIAN COMMUNITY COLLEGE

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FOUNDATION BOARD, EAST MISSISSIPPI COMMUNITY COLLEGE FOUNDATION BOARD,

OPTIMIST CLUB, AND LOCAL CITY COMMITTEES. WE ACTIVELY ENCOURAGE OUR

PERSONNEL TO PARTICIPATE IN OUR LOCAL COMMUNITY ORGANIZATIONS TO HELP

IMPROVE THE COMMUNITY.

SEVERAL OF THE HOSPITAL'S PERSONNEL PARTICIPATE AS CLINICAL ADVISORS FOR

MERIDIAN COMMUNITY COLLEGE AND THE UNIVERSITY OF WEST ALABAMA. WE HAVE

ALSO SERVED ON LEADERSHIP LAUDERDALE WHEREBY STUDENTS VISIT LOCAL

BUSINESSES.

THE HOSPITAL SUPPORTED THE UNIVERSITY OF SOUTHERN MISSISSIPPI HEALTH

EDUCATION DEPARTMENT BY MAKING A DONATION TO THE COLLEGE OF HEALTH

DEVELOPMENT FUND.

IN AN EFFORT TO REDUCE THE SHORTAGE OF REGISTERED NURSES AND OTHER

HEALTHCARE PERSONNEL, ANDERSON REGIONAL MEDICAL CENTER HAS TAKEN THE

FOLLOWING ACTIONS:

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SINCE 1986 ANDERSON REGIONAL MEDICAL CENTER HAS PROVIDED NURSING

SCHOLARSHIPS TO SOME OF THE TOP STUDENTS AT MERIDIAN COMMUNITY COLLEGE.

SIX SCHOLARSHIPS ARE GIVEN ANNUALLY, THE DR. JEFF ANDERSON SCHOLARSHIP,

DR. JEFFERSON HOLLINGSWORTH SCHOLARSHIP, DR. WILLIAM J ANDERSON

SCHOLARSHIP, DR. WILLIAM J. ANDERSON III, SCHOLARSHIP, THE WILLIAM J.

GUNN, ESQUIRE, SCHOLARSHIP, AND THE REUBEN S. JOHNSON, JR. SCHOLARSHIP.

ANDERSON REGIONAL MEDICAL CENTER ASSISTS MERIDIAN COMMUNITY COLLEGE WITH

FUNDING FOR THE DEVELOPMENT AND MAINTENANCE OF HEALTH PROGRAMS.

DUE TO THE SUPPORT ANDERSON REGIONAL MEDICAL CENTER SHOWS MCC, THE

HOSPITAL WAS GIVEN A SPECIAL TRIBUTE AT THE 2011 ANNUAL MCC FOUNDATION

CELEBRATION.

SUPPLEMENTAL INFORMATION 13

PART VI, LINE 6: AFFILIATED HEALTH CARE SYSTEM

ANDERSON REGIONAL MEDICAL CENTER IS NOT PART OF AN AFFILIATED HEALTH CARE

SYSTEM. THE HOSPITAL IS A PARTNER IN A JOINT VENTURE THAT OPERATES AN

ENDOSCOPY CENTER AND THE HOSPITAL'S SHARE OF THOSE EXPENSES ARE INCLUDED

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- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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.

IN PART I OF SCHEDULE H.

SUPPLEMENTAL INFORMATION 14

PART VI, LINE 7: STATE FILING OF COMMUNITY BENEFIT REPORT

ANDERSON REGIONAL MEDICAL CENTER DOES NOT CURRENTLY HAVE A COMMUNITY

BENEFIT REPORT AND IS NOT FILING REPORTS IN ANY STATES. THE HOSPITAL IS

IN THE PROCESS OF DEVELOPING SUCH A REPORT.

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

ANDERSON REGIONAL MEDICAL CENTER

Employer identification number

64-0362400

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. ☐ Yes ☒ No

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed ☐

1	(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)	AMERICAN HEART ASSOCIATION P.O. BOX 16808 JACKSON, MS 39236	13-5613797	501(C)(3)	10,000.				SPONSORSHIP
(2)	MERIDIAN COMMUNITY COLLEGE 910 HWY 19 N. MERIDIAN, MS 39307	64-6035781	501(C)(3)	102,600.				EDUCATION EXPENSES
(3)	CHOCTAW AREA COUNCIL BOY SCOUTS OF AMERICA P.O. BOX 1110 MERIDIAN, MS 39302	64-0324398	501(C)(3)	6,500.				SPONSORSHIP
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								

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

3 Enter total number of other organizations ☐

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2010)

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

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

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

SUPPLEMENTAL INFORMATION 1

PART I, LINE 2: GRANTS AND ASSISTANCE

ANDERSON REGIONAL MEDICAL CENTER DOES NOT MAINTAIN RECORDS TO

SUBSTANTIATE OR MONITOR THE USE OF GRANT FUNDS. THE ASSISTANCE TO THE

MERIDIAN COMMUNITY COLLEGE IS MADE DIRECTLY TO THE COMMUNITY COLLEGE

ITSELF IN ORDER TO PROVIDE FUNDING/EDUCATION ASSISTANCE TO THE NURSING

SCHOOL. IN ADDITION, THE MEDICAL CENTER MADE CONTRIBUTIONS TO THE

AMERICAN HEART ASSOCIATION AND OTHER CHARITIES FOR THE FURTHERANCE OF

THEIR EXEMPT PURPOSES.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

**Open to Public
Inspection**

Name of the organization

ANDERSON REGIONAL MEDICAL CENTER

Employer identification number

64-0362400

Part I Questions Regarding Compensation

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

☐ First-class or charter travel

☐ Travel for companions

☐ Tax indemnification and gross-up payments

☐ Discretionary spending account

☐ Housing allowance or residence for personal use

☐ Payments for business use of personal residence

☐ Health or social club dues or initiation fees

☐ Personal services (e.g., maid, chauffeur, chef)

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

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

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

☒ Compensation committee

☒ Independent compensation consultant

☐ Form 990 of other organizations

☐ Written employment contract

☒ Compensation survey or study

☒ Approval by the board or compensation committee

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

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

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

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

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

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

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

a The organization?

b Any related organization?

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

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

a The organization?

b Any related organization?

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

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

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

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

Yes No

1b

2

4a

X

4b

X

4c

X

5a

X

5b

X

6a

X

6b

X

7

X

8

X

9

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2010

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 MARK MCPHAIL	(i) 0. (ii) 0.	0.	213,710.	0.	225.	213,935.	0.
2 J.W. JONES	(i) 0. (ii) 0.	0.	111,120.	0.	0.	111,120.	0.
3 LARRY FORTENBERRY	(i) 210,322. (ii) 0.	100.	362,300.	47,856.	10,674.	631,252.	361,377.
4 JOHN ANDERSON	(i) 173,530. (ii) 0.	100.	508.	41,081.	13,184.	228,403.	0.
5 WANDA COOPER	(i) 198,533. (ii) 0.	100.	1,019.	45,883.	13,387.	258,922.	0.
6 LINDA TODD	(i) 154,118. (ii) 0.	100.	281,785.	39,466.	7,797.	483,266.	278,778.
7 GEORGE FARR, JR.	(i) 141,838. (ii) 0.	100.	200.	27,925.	11,501.	181,564.	0.
8 ANTHONY RISPOLI	(i) 272,649. (ii) 0.	100.	1,425.	44,335.	17,243.	335,752.	0.
9 KATRINA CHAMBLEE	(i) 158,224. (ii) 0.	100.	1,620.	26,013.	12,212.	198,169.	0.
10 ANN LUNDY	(i) 155,711. (ii) 0.	100.	205.	34,826.	589.	191,431.	0.
11 DAVID ALLYN GEER, M.D.	(i) 425,521. (ii) 0.	0.	2,540.	12,250.	12,993.	453,304.	0.
12 PAUL A. PINION	(i) 469,162. (ii) 0.	0.	274.	15,994.	0.	485,430.	0.
13 PHILLIP K. MCDONALD	(i) 417,696. (ii) 0.	0.	500.	16,094.	0.	434,290.	0.
14 BRUCE WALLACE BROWN	(i) 399,692. (ii) 0.	201.	0.	12,381.	0.	412,274.	0.
15 JOHN ANTHONY DICKSON	(i) 361,885. (ii) 0.	0.	201.	17,222.	0.	379,308.	0.
16 LELAND RAY HUMPHREYS	(i) 251,444. (ii) 0.	100.	3,620.	40,722.	8,821.	304,707.	0.
		0.	0.	0.	0.	0.	0.

Schedule J (Form 990) 2010

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.

SUPPLEMENTAL INFORMATION 1**SCHEDULE J, PART I, LINE 4A: SEVERANCE PAYMENTS**

THE FOLLOWING INDIVIDUALS RECEIVED SEVERANCE PAYMENTS DURING THE YEAR

ENDED SEPTEMBER 30, 2011:

MARK MCPHAIL	\$213,116
J.W. JONES	\$111,120

SUPPLEMENTAL INFORMATION 2**SCHEDULE J, PART I, LINE 4B: PAYMENTS TO NON-QUALIFIED RETIREMENT PLANS**

ARMC PROVIDES TO CERTAIN EXECUTIVES AN IRC SEC. 457(F), NON-QUALIFIED

SUPPLEMENTAL RETIREMENT PLAN. THE PURPOSE OF THIS PLAN IS TO OFFER

PARTICIPATING EXECUTIVES TAXABLE DEFERRED COMPENSATION BENEFITS TO

SUPPLEMENT SUCH EXECUTIVE'S RETIREMENT BENEFITS UNDER ARMC'S

TAX-QUALIFIED RETIREMENT PLAN. THIS PLAN SHALL BE UNFUNDED FOR TAX

PURPOSES AND FOR PURPOSE OF TITLE I OF THE EMPLOYEE RETIREMENT INCOME

SECURITY ACT OF 1975 ("ERISA").

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.

THE FOLLOWING INDIVIDUALS LISTED IN PART VII OF FORM 990 PARTICIPATED IN

THE IRC SEC. 457(F) PLAN AND RECEIVED THE CONTRIBUTIONS AND/OR PAYOUTS

BELOW DURING THE YEAR:

RICHARD HIGHTOWER: \$ 6,733

LARRY FORTENBERRY: \$ 396,733

JOHN ANDERSON: \$ 32,218

WANDA COOPER: \$ 35,433

LINDA TODD: \$ 308,609

LELAND RAY HUMPHREYS: \$ 40,722

ANTHONY RISPOLI: \$ 44,335

KATRINA CHAMBLEE: \$ 26,013

ANN LUNDY: \$ 25,116

GEORGE FARR, JR.: \$ 20,367

SUPPLEMENTAL INFORMATION 3

ARMC ALSO PROVIDES TO CERTAIN EXECUTIVES AN IRC SEC. 457(B),

NON-QUALIFIED SUPPLEMENTAL RETIREMENT PLAN.

THE FOLLOWING INDIVIDUALS LISTED IN PART VII OF FORM 990 PARTICIPATED IN

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.

THE IRC SEC. 457(B) PLAN AND MADE THE CONTRIBUTIONS BELOW DURING THE

YEAR:

LARRY FORTENBERRY:	\$16,500
LINDA TODD:	\$16,500
LELAND RAY HUMPHREYS:	\$ 9,331
MARK MCPHAIL:	\$16,500
ANTHONY RISPOLI:	\$16,500
KATRINA CHAMBLEE:	\$16,500
ANN LUNDY:	\$16,500

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

OMB No 1545-0047

2010

**Open To Public
Inspection**

Name of the organization

ANDERSON REGIONAL MEDICAL CENTER

Employer identification number

64-0362400

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(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)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
Total ▶ \$										

Part III Grants or Assistance Benefiting Interested Persons.

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

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2010

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) GEORGE EDWARD TUCKER, JR.	INTERIM CFO	170,535.	CONSULTING SERVICES		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information

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

SUPPLEMENTAL INFORMATION 1

PART IV: BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS

DURING APRIL 2011, GEORGE EDWARD TUCKER, JR. PROVIDED FINANCIAL CONSULTING SERVICES TO ANDERSON REGIONAL MEDICAL CENTER. IN AUGUST OF 2011, WHEN THE CFO LEFT, MR. TUCKER WAS APPOINTED THE INTERIM CFO. THEREFORE, THE COST ASSOCIATED WITH HIS SERVICES FOR THE 2011 FISCAL YEAR IS REPORTED AS A BUSINESS TRANSACTION INVOLVING INTERESTED PERSONS.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public
Inspection

Employer identification number

64-0362400

ANDERSON REGIONAL MEDICAL CENTER

GENERAL STATEMENT 1

PART III, LINE 2: PROGRAM SERVICES NOT LISTED ON PRIOR FORM 990

ON JANUARY 1, 2011, ANDERSON REGIONAL MEDICAL CENTER PURCHASED A 140 BED
ACUTE CARE HOSPITAL LOCATED IN MERIDIAN, MISSISSIPPI. THE ADDITION OF
ANDERSON REGIONAL MEDICAL CENTER SOUTH ADDED SOME NEW HOSPITAL SERVICES
SUCH AS AN INPATIENT REHABILITATION UNIT, WOUND CARE SERVICES AND PAIN
MANAGEMENT SERVICES.

GENERAL STATEMENT 2

PART III, LINE 4A: PROGRAM SERVICE ACCOMPLISHMENTS

ANDERSON REGIONAL MEDICAL CENTER IS A 400 BED GENERAL ACUTE CARE HOSPITAL
LOCATED IN MERIDIAN, MISSISSIPPI. THE HOSPITAL'S PRIMARY SERVICE AREA IS
LAUDERDALE, NEWTON, CLARKE, LEAKE, KEMPER, NESHOBIA, WINSTON AND JASPER
COUNTIES IN MISSISSIPPI. THE HOSPITAL ALSO SERVICES THE AREAS OF CHOCTAW
AND SUMTER COUNTIES IN WESTERN ALABAMA. ANDERSON REGIONAL MEDICAL CENTER
OPERATES THE ONLY COMPREHENSIVE CANCER CENTER IN EAST CENTRAL MISSISSIPPI
AND WEST ALABAMA.

THE HOSPITAL PROVIDES A WIDE ARRAY OF SERVICES SUCH AS, MOST MAJOR
INPATIENT CLINICAL SERVICES, AN INPATIENT REHABILITATION UNIT, OUTPATIENT
SERVICES INCLUDING WOUND CARE SERVICES AND PAIN MANAGEMENT SERVICES,
THERAPEUTIC AND DIAGNOSTIC SERVICES, TRAUMA SERVICES AND EMERGENCY
SERVICES. ANDERSON PRIDES ITSELF IN BEING THE LEADER IN ITS CARDIOLOGY
AND CANCER SERVICES.

Name of the organization

ANDERSON REGIONAL MEDICAL CENTER

Employer identification number

64-0362400

CARDIOLOGY AND DIABETES PROGRAMS:

ANDERSON REGIONAL MEDICAL CENTER SPONSORS A HEART CHECK PROGRAM EACH YEAR. THIS IS A YEARLY PROGRAM THAT THE HOSPITAL HAS CONTINUED TO OFFER FOR THE PAST THIRTEEN YEARS. THE HEART CHECK PROGRAM EDUCATES THE COMMUNITY ON A HEALTHY HEART BY PERFORMING BLOOD PRESSURE CHECKS, CHOLESTEROL CHECKS, WEIGHT AND OTHER CARDIOVASCULAR HEALTH SCREENINGS. OVER 890 AREA RESIDENTS PARTICIPATE IN THIS FREE COMMUNITY SCREENING.

THE DIABETES AND CARDIAC SUPPORT GROUP IS A MONTHLY EDUCATIONAL MEETING HELD FOR THE COMMUNITY. THE PROGRAMS CENTER ON DIABETIC AND CARDIAC CARE SUCH AS THE IMPORTANCE OF EXERCISE AND HEALTHY FOOD CHOICES.

THE HOSPITAL ALSO OFFERS A DIABETES MANAGEMENT CENTER THAT EDUCATES THE COMMUNITY ON THE PREVENTION AND TREATMENT OF DIABETES. THE DIABETES CENTER ALSO PARTICIPATES IN THE ANNUAL MISSISSIPPI WALK FOR DIABETES AND SERVES AS VOLUNTEERS FOR THIS EVENT.

ANDERSON REGIONAL MEDICAL CENTER IS A MAJOR FINANCIAL SPONSOR OF THE AMERICAN HEART ASSOCIATION ART FOR HEART. THIS EVENT RAISES A SIGNIFICANT AMOUNT OF DOLLARS FOR THE AMERICAN HEART ASSOCIATION.

ANDERSON REGIONAL MEDICAL CENTER OFFERS HEALTH FAIRS TO THE COMMUNITY THROUGH OUR WORKHEALTH PROGRAM. IN ORDER TO IMPROVE THE GENERAL HEALTH OF THE COMMUNITY, THE WORKHEALTH PROGRAM OFFERS FREE BLOOD PRESSURE CHECKS, BLOOD SUGAR SCREENINGS, WEIGHT AND BODY MASS INDEX MEASUREMENTS, AND

Name of the organization

Employer identification number

ANDERSON REGIONAL MEDICAL CENTER

64-0362400

DISTRIBUTES GENERAL HEALTH EDUCATIONAL MATERIALS. THE HEALTH FAIRS ARE HELD AT VARIOUS COMPANIES THROUGHOUT THE SERVICE AREAS. THE HOSPITAL ALSO PARTICIPATES IN THE MAIN EVENT SPONSORED BY EAST MISSISSIPPI BUSINESS DEVELOPMENT CORPORATION (EMBDC). THIS IS A COMMUNITY WIDE EVENT WHERE WE OFFER FREE BLOOD PRESSURE SCREENINGS. THE HOSPITAL ALSO PARTICIPATES IN THE NESHOPA COUNTY FAIR EACH YEAR. THE HOSPITAL PROVIDES BLOOD PRESSURE SCREENINGS AND FLUIDS FOR THOSE PARTICIPATING IN THIS EVENT.

CANCER PROGRAMS:

ANDERSON REGIONAL MEDICAL CENTER PROVIDES FREE MAMMOGRAM SCREENINGS AT ITS BREAST CARE CLINIC. THIS SERVICE IS PROVIDED TO THE UNINSURED POPULATION WITHIN THE SERVICE AREAS.

ANDERSON REGIONAL MEDICAL CENTER SPONSORS A RESOURCE ROOM AT THE COMPREHENSIVE CANCER CENTER. THIS RESOURCE ROOM IS DEDICATED TO SUPPLYING CANCER EDUCATION LITERATURE TO THE PUBLIC. WE ALSO SUPPLY A COMPUTER WITH INTERNET ACCESS TO CANCER EDUCATIONAL WEBSITES AND CANCER HELP SOFTWARE. THIS IS A FREE SERVICE AND OPENS TO THE PUBLIC MONDAY THROUGH FRIDAY 8:00 AM UNTIL 5:00 PM.

ANDERSON REGIONAL MEDICAL CENTER SPONSORS A MEMORIAL CALLED THE CANCER CENTER CHRISTMAS TRIBUTE. ALL THE DONATIONS IN MEMORY OF OR IN HONOR OF VARIOUS PEOPLE IN OUR COMMUNITY GOES TO THE HOSPITAL'S CANCER PATIENT BENEVOLENCE FUND WHICH ASSISTS AREA CANCER PATIENTS WHO ARE IN NEED OF TRANSPORTATION, MEDICINES, PAYMENT OF UTILITY BILLS, ETC.

Name of the organization

ANDERSON REGIONAL MEDICAL CENTER

Employer identification number

64-0362400

THE MONTHLY MEETINGS OF THE CAREOUSEL BREAST CANCER SUPPORT GROUP ARE HELD AT OUR FACILITIES. THE GROUP USES THE MEETING FACILITIES AT THE CANCER CENTER. THE PURPOSE OF THIS GROUP IS TO PROVIDE INFORMATION AND SUPPORT FOR BREAST CANCER SURVIVORS.

THE HOSPITAL IN CONJUNCTION WITH THE AMERICAN CANCER SOCIETY SPONSORS THE "LOOK GOOD, FEEL BETTER" PROGRAM. THIS IS A COMMUNITY EDUCATION PROGRAM THAT SUPPORTS AREA CANCER PATIENTS AND FAMILIES TO HELP THEM COPE WITH CANCER, CANCER TREATMENTS, AND EFFECTS.

WE PROVIDE FREE COMMUNITY CANCER SCREENINGS FOR THE GENERAL PUBLIC THAT CENTER AROUND EARLY DETECTION AND EDUCATION ON THE PREVENTION OF CANCER. THE PROSTATE SCREENING WAS HELD IN SEPTEMBER AND OVER 75 MEN PARTICIPATED.

ANDERSON REGIONAL MEDICAL CENTER PARTICIPATES AND IS THE SURVIVOR WALK SPONSOR FOR THE ANNUAL AMERICAN CANCER SOCIETY RELAY FOR LIFE EVENT. THE HOSPITAL HAS PARTICIPATED IN THE EVENT SINCE ITS INCEPTION IN 1994.

OBSTETRICAL AND GYNECOLOGY PROGRAMS:

ANDERSON REGIONAL MEDICAL CENTER IS THE LARGEST PROVIDER OF OBSTETRICAL AND GYNECOLOGY SERVICES IN EAST MISSISSIPPI AND WEST ALABAMA. THE SERVICES INCLUDE THOSE OF A NEONATAL INTENSIVE CARE UNIT AND NEONATAL PHYSICIAN SERVICES. THE FOLLOWING EDUCATIONAL CLASSES ARE OFFERED FREE TO AREA EXPECTANT MOTHERS AND THEIR FAMILIES:

Name of the organization

ANDERSON REGIONAL MEDICAL CENTER

Employer identification number

64-0362400

BIG BROTHER! BIG SISTER! SIBLING CLASSES WHICH INTRODUCE CHILDREN AGE 12
AND UNDER TO THE UPCOMING CHANGES IN THE FAMILY DYNAMICS.
BREASTFEEDING CLASSES PROVIDE INFORMATION ON THE WHY-TO AND HOW-TO OF
BREASTFEEDING TO EXPECTANT PARENTS.

CHILD BIRTH EDUCATION CLASSES ADDRESS WELLNESS, HEALTH, LABOR/DELIVERY
STAGES, COPING STRATEGIES, SURGICAL INTERVENTIONS, AND RECOVERY CARE FOR
EXPECTANT MOTHERS. GRANDPARENTING CLASSES UPDATE GRANDPARENTS ON THE
LATEST INFORMATION ON CARING FOR A NEWBORN.

NEWBORN CARE (BABY-CARE) CLASSES GIVE NEW PARENTS THE CONFIDENCE REQUIRED
TO CARE FOR A BABY WITH DISCUSSIONS CONCERNING NORMAL NEWBORN BEHAVIOR
AND CHARACTERISTICS AT DELIVERY TO PRACTICAL ADVICE FOR DAILY CARE.

EDUCATIONAL PROGRAMS:

ANDERSON REGIONAL MEDICAL CENTER OFFERS EDUCATIONAL PROGRAMS FOR AREA
MEDICAL PERSONNEL, SCHOOLS, BUSINESS AND THE COMMUNITY.

ADVANCED CARDIAC LIFE SUPPORT COURSE (ACLS) IS OFFERED AS AN EDUCATIONAL
PROGRAM FOR MEDICAL PERSONNEL IN THE AREA. THIS PROGRAM IS OFFERED ONSITE
AT THE HOSPITAL OR OUTSIDE AT OTHER MEDICAL FACILITIES.

THE HOSPITAL COORDINATES AND OFFERS CONTINUING MEDICAL EDUCATION (CME)
PROGRAMS TO AREA PHYSICIANS. THE MAJORITY OF THESE PROGRAMS ARE OPEN TO
THE GENERAL PUBLIC.

Name of the organization

Employer identification number

ANDERSON REGIONAL MEDICAL CENTER

64-0362400

FOR THE AREA MEDICAL PERSONNEL, ANDERSON REGIONAL MEDICAL CENTER OFFERS A HEALTHCARE PROVIDER COURSE THAT IS DESIGNED TO TEACH CPR SKILLS FOR VICTIMS OF ALL AGES. THIS COURSE IS DESIGNATED FOR HEALTHCARE PROVIDERS. ANOTHER COURSE DESIGNATED FOR HEALTHCARE PROVIDERS AND FIRST RESPONDERS IS THE HEARTSAVER CPR/AED PROGRAM. THIS CLASS IS FOR PERSONNEL WHO HAVE A DUTY TO RESPOND TO CARDIAC EMERGENCIES BECAUSE OF JOB REQUIREMENTS OR REGULATORY REQUIREMENTS. WE ALSO OFFER A CPR/FIRST AID CLASS, A HEARTSAVER CPR COURSE AND A HEARTSAVER FIRST AID COURSE THAT TEACHES THE COMMUNITY ABOUT CARDIO PULMONARY RESUSCITATION AND FIRST AID. THIS PROGRAM IS OFFERED TO SCHOOLS AND BUSINESSES IN THE SERVICE AREA. THE HOSPITAL ALSO HAS A FAMILY AND FRIENDS CPR CLASS THAT IS OFFERED TO THE GENERAL PUBLIC.

ANDERSON REGIONAL MEDICAL CENTER OFFERS EDUCATION PROGRAMS THAT CENTER AROUND PEDIATRIC CARE. THE HOSPITAL OFFERS A HEARTSAVER PEDIATRIC FIRST AID AND CPR COURSE FOR THE SERVICE AREA. THE PEDIATRIC ADVANCED LIFE SUPPORT (PALS) COURSE IS ALSO OFFERED TO THE AREA HEALTHCARE PROVIDERS.

WE ALSO PARTICIPATE IN THE COLLEGE FOR KIDS THAT IS HELD YEARLY AT MERIDIAN COMMUNITY COLLEGE. THIS IS A TWO WEEK PROGRAM TO EDUCATE ELEMENTARY AGE STUDENTS ON THE TECHNIQUES OF INFECTION CONTROL, POISON CONTROL, NUTRITION, FIRST AID, CPR, A&P, AND NURSING HISTORY.

ANDERSON REGIONAL MEDICAL CENTER DONATED THE START UP SUPPLY COST FOR EPSDT SCREENINGS FOR MEDICAID-ELIGIBLE STUDENTS AT A LOCAL SCHOOL.

Name of the organization

ANDERSON REGIONAL MEDICAL CENTER

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OTHER HEALTH CARE SEMINARS:

ANDERSON REGIONAL MEDICAL CENTER OFFERS HEALTH CARE SEMINARS THAT INFORM THE COMMUNITY ABOUT VARIOUS GENERAL HEALTHCARE TOPICS. THESE EDUCATIONAL SEMINARS INCLUDE SYMPTOMS AND TREATMENTS. SOME AREAS THAT ARE DISCUSSED ARE BREAST CANCER, MAMMOGRAMS, SCROTUM CHECKS, AND PROSTATE PROBLEMS.

THE INFECTION CONTROL DEPARTMENT OF THE HOSPITAL CONDUCTS FREE INFECTION CONTROL SEMINARS TO INFORM THE COMMUNITY ON THE CAUSES AND PREVENTION OF INFECTIONS AND DISEASES. THESE ARE TAUGHT AT MERIDIAN COMMUNITY COLLEGE. THE HOSPITAL OFFERS SAFETY SEMINARS TO AREA BUSINESSES THROUGH THE WORKHEALTH DEPARTMENT. THESE SEMINARS CENTER ON OSHA SAFETY INSTRUCTIONS. A BLOOD PRESSURE CHECK IS ALSO PERFORMED ON THE EMPLOYEES OF THE BUSINESS DURING THIS SEMINAR.

TRAUMA CENTER:

DURING CALENDAR YEAR 2009, ANDERSON REGIONAL MEDICAL CENTER WAS CERTIFIED AS A TRAUMA CENTER FOR THE REGION. THE TRAUMA DEPARTMENT CONDUCTS EDUCATIONAL ACTIVITIES AT LOCAL BUSINESSES FOR THE GENERAL PUBLIC ON SAFETY ISSUES SUCH AS BICYCLE SAFETY.

SPORTS MEDICINE:

ANDERSON REGIONAL MEDICAL CENTER OFFERS A SPORTS MEDICINE PROGRAM THAT PROVIDES ATHLETIC TRAINERS TO LOCAL SCHOOLS. THE TRAINERS PERFORM PHYSICALS AND ASSESS INJURIES ON THE ATHLETES.

Name of the organization

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OTHER EVENTS AND PROGRAMS TO PROMOTE COMMUNITY BENEFIT IN HEALTH AND

EDUCATION:

ANDERSON REGIONAL MEDICAL CENTER IS THE HOSPITAL OF CHOICE FOR THE CHOCTAW NATION. THE HOSPITAL PROVIDES HEALTHCARE TO APPROXIMATELY 8,000 NATIVE AMERICANS. A PATIENT LIAISON IS A FULL-TIME EMPLOYEE OF THE HOSPITAL IN ORDER TO REPRESENT THE NATIVE AMERICANS. THE LIAISON HELPS THE PATIENT AND FAMILIES WITH ANY HEALTHCARE CONCERNS. WE ARE PROVIDERS OF PROGRAMS AND SUPPORT TO IMPROVE THE HEALTH OF THE CHOCTAW NATION.

ANDERSON REGIONAL MEDICAL CENTER ACTIVELY PARTICIPATES AND IS A SPONSOR OF NUMEROUS BLOOD DRIVES THROUGHOUT THE YEAR WITH UNITED BLOOD SERVICES. ANDERSON REGIONAL MEDICAL CENTER'S VOLUNTEER AUXILIARY DONATES MONEY TO MERIDIAN COMMUNITY COLLEGE EACH YEAR FOR THE PURCHASE OF EQUIPMENT TO USE IN THE LEARNING PROCESS FOR NURSING STUDENTS.

ANDERSON REGIONAL MEDICAL CENTER OFFERS A CHAPLAINCY PROGRAM THAT SPEAKS TO CHURCHES IN THE SERVICE AREA TO EXPLAIN THE CHAPLAINCY PROGRAM AND THE SERVICES OFFERED.

ANDERSON REGIONAL MEDICAL CENTER IS ACTIVE WITH MIDD (MISSISSIPPI INDUSTRIES FOR THE DEVELOPMENTALLY DISABLED). WE HAVE HOSPITAL PERSONNEL WHO ARE VERY ACTIVE ON THE BOARD OF DIRECTORS OF THIS ASSOCIATION AND ATTEND MONTHLY MEETINGS.

Name of the organization

ANDERSON REGIONAL MEDICAL CENTER

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WE ARE AN ANNUAL SPONSOR OF THE MERIDIAN STAR'S NEWSPAPER IN EDUCATION (NIE) PROGRAM. THE PROGRAM SUPPLIES AREA SCHOOLS WITH NEWSPAPERS ON A DAILY BASIS.

ANDERSON REGIONAL MEDICAL CENTER IS AN ACTIVE PARTICIPANT IN THE UNITED WAY OF EAST MISSISSIPPI PACESETTER DRIVE. THE HOSPITAL PROVIDES FINANCIAL SUPPORT THROUGH INDUCEMENTS GIVEN TO OUR EMPLOYEES FOR GIVING TO THE UNITED WAY. THESE INDUCEMENTS VARY FROM A FREE YOGURT TO A FREE MEAL TO A FREE T-SHIRT.

THE HOSPITAL PROVIDES SPEAKERS FOR AREA SCHOOLS AND CIVIC CLUBS. MANY OF THE AREA SCHOOLS RECEIVE SPEAKERS WHO ARE FINANCED BY OUR HOSPITAL. THESE SPEAKERS ADDRESS SUCH SUBJECTS AS ALCOHOL ABUSE, DRUG ABUSE, AND ANGER MANAGEMENT.

ANDERSON EMPLOYEES, PARTICULARLY MANAGERS, ARE ENCOURAGED TO PARTICIPATE IN THE SCIENCE FAIR JUDGING ON HOSPITAL TIME FOR LOCAL SCHOOLS.

THE HOSPITAL ALLOWS HEALTH RELATED GROUPS SUCH AS THE AMERICAN CANCER SOCIETY, TRANSPLANT SUPPORT GROUP AND TOPS (TAKE OFF POUNDS SENSIBLY) TO USE OUR MEETING FACILITIES.

ANDERSON REGIONAL MEDICAL CENTER HAS PROVIDED LEADERSHIP FOR MANY OF THE LOCAL HEALTH ORGANIZATIONS. OUR PERSONNEL HAVE SERVED AS PRESIDENTS OR ON THE BOARDS OF THE LAUDERDALE COUNTY HEALTH ASSOCIATION, DIABETES FOUNDATION OF MISSISSIPPI, AMERICAN CANCER SOCIETY, MISSISSIPPI INDUSTRY

Name of the organization

ANDERSON REGIONAL MEDICAL CENTER

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FOR THE DEVELOPMENTALLY DISABLED (MIDD) AND UNITED WAY OF EAST MISSISSIPPI. OTHER ORGANIZATIONS IN WHICH WE PARTICIPATE INCLUDE ROTARY CLUB, HOPE VILLAGE FOR CHILDREN BOARD, MERIDIAN COMMUNITY COLLEGE FOUNDATION BOARD, EAST MISSISSIPPI COMMUNITY COLLEGE FOUNDATION BOARD, OPTIMIST CLUB, AND LOCAL CITY COMMITTEES. WE ACTIVELY ENCOURAGE OUR PERSONNEL TO PARTICIPATE IN OUR LOCAL COMMUNITY ORGANIZATIONS TO HELP IMPROVE THE COMMUNITY.

SEVERAL OF THE HOSPITAL'S PERSONNEL PARTICIPATE AS CLINICAL ADVISORS FOR MERIDIAN COMMUNITY COLLEGE AND THE UNIVERSITY OF WEST ALABAMA. WE HAVE ALSO SERVED ON LEADERSHIP LAUDERDALE WHEREBY STUDENTS VISIT LOCAL BUSINESSES.

THE HOSPITAL SUPPORTED THE UNIVERSITY OF SOUTHERN MISSISSIPPI HEALTH EDUCATION DEPARTMENT BY MAKING A DONATION TO THE COLLEGE OF HEALTH DEVELOPMENT FUND.

IN AN EFFORT TO REDUCE THE SHORTAGE OF REGISTERED NURSES AND OTHER HEALTHCARE PERSONNEL, ANDERSON REGIONAL MEDICAL CENTER HAS TAKEN THE FOLLOWING ACTIONS:

SINCE 1986 ANDERSON REGIONAL MEDICAL CENTER HAS PROVIDED NURSING SCHOLARSHIPS TO SOME OF THE TOP STUDENTS AT MERIDIAN COMMUNITY COLLEGE. SIX SCHOLARSHIPS ARE GIVEN ANNUALLY, THE DR. JEFF ANDERSON SCHOLARSHIP, DR. JEFFERSON HOLLINGSWORTH SCHOLARSHIP, DR. WILLIAM J ANDERSON SCHOLARSHIP, DR. WILLIAM J. ANDERSON III, SCHOLARSHIP, THE WILLIAM J.

Name of the organization

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GUNN, ESQUIRE, SCHOLARSHIP, AND THE REUBEN S. JOHNSON, JR. SCHOLARSHIP.

ANDERSON REGIONAL MEDICAL CENTER ASSISTS MERIDIAN COMMUNITY COLLEGE WITH
FUNDING FOR THE DEVELOPMENT AND MAINTENANCE OF HEALTH PROGRAMS.

DUE TO THE SUPPORT ANDERSON REGIONAL MEDICAL CENTER SHOWS MCC, THE
HOSPITAL WAS GIVEN A SPECIAL TRIBUTE AT THE 2011 ANNUAL MCC FOUNDATION
CELEBRATION.

GENERAL STATEMENT 3

PART VI, SECTION A: GOVERNING BODY AND MANAGEMENT

PART VI, LINE 2: RELATED PARTIES THROUGH FAMILY/BUSINESS RELATIONSHIP

THE FOLLOWING DIRECTORS AND OFFICERS HAVE A FAMILY RELATIONSHIP:

DR. JOSEPH ANDERSON

GAY WHITWORTH

DR. SHAWN ANDERSON

JANET FARRINGTON

JOHN ANDERSON

GEORGE DENTON FARR, JR.

PART VI, LINE 4: CHANGES TO ORGANIZATIONAL DOCUMENTS

DURING FISCAL YEAR 2011, THE ORGANIZATION FILED A NAME CHANGE WITH THE
OFFICE OF THE MISSISSIPPI SECRETARY OF STATE, ALONG WITH A COPY OF THE
AMENDED BYLAWS DOCUMENTING THE NAME CHANGE. EFFECTIVE DECEMBER 7, 2010,
THE JEFF ANDERSON REGIONAL MEDICAL CENTER HAS CHANGED ITS NAME TO
ANDERSON REGIONAL MEDICAL CENTER.

Name of the organization ANDERSON REGIONAL MEDICAL CENTER	Employer identification number 64-0362400
--	--

THE ANDERSON REGIONAL MEDICAL CENTER ALSO AMENDED ITS BYLAWS IN MAY 2011 TO INCLUDE DETAIL ON THE STOCK HISTORY OF THE CORPORATION, LIMITATIONS ON NEW STOCK ISSUANCE, RULES RELATED TO STOCK TRANSFERS, AND OTHER RESTRICTIONS.

PART VI, LINE 6, 7A AND 7B: STOCKHOLDERS

ANDERSON REGIONAL MEDICAL CENTER WAS ESTABLISHED IN 1928 AS A NONPROFIT CORPORATION UNDER THE LAWS OF THE STATE OF MISSISSIPPI. ON THE DATE OF INCORPORATION, ANDERSON REGIONAL MEDICAL CENTER ISSUED ONE-HUNDRED SHARES OF NONPROFIT CAPITAL STOCK TO FOUR INDIVIDUALS, EACH OF WHOM RECEIVED AN EQUAL NUMBER OF SHARES. CURRENTLY, FOUR INDIVIDUALS, FAMILY MEMBERS OF THE ORIGINAL HOLDERS, HOLD THOSE ORIGINAL ONE-HUNDRED SHARE IN EQUAL PROPORTION. IN ADDITION, THESE FOUR INDIVIDUALS, DISCLOSED BELOW, ARE CURRENTLY VOTING BOARD MEMBERS ON ANDERSON REGIONAL MEDICAL CENTER'S BOARD OF DIRECTORS:

DR. JOSEPH ANDERSON

JANET G. FARRINGTON

GAY WHITWORTH

SHAWN ANDERSON, M.D.

THE MANAGEMENT OF ALL THE AFFAIRS, PROPERTY, AND BUSINESS OF ANDERSON REGIONAL MEDICAL CENTER IS VESTED IN THE BOARD OF DIRECTORS. THE BOARD OF DIRECTORS CONSISTS OF FOUR TO EIGHT PERSONS, INCLUDING THE STOCKHOLDERS, AND ARE ELECTED BY THE STOCKHOLDERS BY MAJORITY VOTE.

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NOTWITHSTANDING THE FOREGOING, IT IS THE INTENT OF THE ANDERSON REGIONAL MEDICAL CENTER AND ITS STOCKHOLDERS THAT THE TERM "STOCKHOLDER" SHALL HAVE THE MEANING OF THE TERM "MEMBER" UNDER MISSISSIPPI NONPROFIT CORPORATION ACT AND THAT NO PART OF THE INCOME OR ASSETS OF THE CORPORATION SHALL INURE TO THE BENEFIT OF ANY STOCKHOLDER, AND NO INCOME OR PROFITS OF THE CORPORATION SHALL BE PAID TO ANY STOCKHOLDER.

GENERAL STATEMENT 4

PART VI, SECTION B: POLICIES

PART VI, SECTION B, LINE 11B: FORM 990 REVIEW

EACH BOARD MEMBER WAS PROVIDED A COPY OF THE FORM 990. THE BOARD MEMBERS WERE ASKED TO REVIEW THE FORM AND SUBMIT QUESTIONS AND COMMENTS PRIOR TO THE FORM 990 BEING FINALIZED. AFTER REVIEW, THE FINALIZED FORM 990 WAS PROVIDED TO THE BOARD PRIOR TO FILING.

PART VI, LINE 12: CONFLICT OF INTEREST POLICY

EVERY YEAR IN DECEMBER THE BOARD OF DIRECTORS IS EDUCATED ON CONFLICT OF INTEREST PRINCIPLES AND ASKED TO SIGN A CONFLICT OF INTEREST DISCLOSURE STATEMENT. THE DISCLOSURE STATEMENT IS REVIEWED BY LEGAL COUNSEL FOR THE HOSPITAL.

PART VI, LINE 14: DOCUMENT RETENTION POLICY

THE HOSPITAL HAD A DOCUMENT RETENTION POLICY FOR PATIENT MEDICAL RECORD INFORMATION. THERE WAS NO FORMAL POLICY FOR ANY OTHER HOSPITAL DOCUMENTS. HOWEVER, IN FISCAL YEAR 2011, A DOCUMENT RETENTION POLICY WAS DEVELOPED FOR ALL HOSPITAL DOCUMENTS.

Name of the organization

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PART VI, LINE 15: OFFICER COMPENSATION

THE BOARD HAS A DESIGNATED A THREE (3) PERSON COMMITTEE OF INDEPENDENT BOARD MEMBERS AND IT HAS CONTRACTED FOR AND USED THE PROFESSIONAL SERVICES OF MERCER (USA), INC. TO STUDY AND RECOMMEND COMPENSATION FOR THE CEO, THE VICE-PRESIDENTS, AND THE DIRECTORS OF THE HOSPITAL. MERCER PROVIDES COMPARABILITY DATA AND RESULTS FROM MARKET SURVEY SOURCES IN MAKING ITS RECOMMENDATION AND FROM WHICH THE INDEPENDENT COMPENSATION COMMITTEE MAKES ITS DECISIONS AS TO COMPENSATION FOR THE EXECUTIVES LISTED ABOVE. THIS PROCESS WAS LAST UNDERTAKEN FOR EACH PERSON IN MAY 2011.

PART VI, LINE 16: INVESTMENT IN TAXABLE ENTITY

ANDERSON REGIONAL MEDICAL CENTER INVESTED MANY YEARS AGO IN THE CONSTRUCTION AND OPERATION OF AN MRI CENTER KNOWN AS REGIONAL MEDICAL SUPPORT CENTER (RMSC), ALONG WITH RUSH FOUNDATION HOSPITAL AND RILEY MEMORIAL HOSPITAL HERE IN MERIDIAN. RUSH AND ANDERSON PURCHASED THE RILEY INTEREST ON OR ABOUT OCTOBER 1, 2011 LEAVING RUSH AND ANDERSON AS THE TWO OWNERS OF THE FOR-PROFIT FACILITY. THE REGIONAL MEDICAL SUPPORT CENTER CURRENTLY HAS FOUR DIRECTORS (TWO FROM ANDERSON AND TWO FROM RUSH). AT 9/30/2011 THERE WOULD HAVE BEEN SIX DIRECTORS WITH TWO BEING FROM RILEY MEMORIAL HOSPITAL. THE CEO AND VICE PRESIDENT OF ANDERSON ARE ON THE BOARD OF DIRECTORS OF RMSC. THESE TWO INDIVIDUALS REPORT DIRECTLY TO THE BOARD OF DIRECTORS OF ANDERSON REGIONAL MEDICAL CENTER. RMSC HAS ITS OWN ATTORNEY SEPARATE FROM THE HOSPITAL'S ATTORNEY AND THAT ATTORNEY ALONG

Name of the organization

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WITH THE ANDERSON'S ATTORNEY ARE WATCHFUL OF THE OPERATION OF RMSC TO
MAKE SURE ANDERSON REGIONAL MEDICAL CENTER'S EXEMPT STATUS IS NOT
JEOPARDIZED.

GENERAL STATEMENT 5

PART VI, SECTION C: DISCLOSURE

PART VI, SECTION C, LINE 19: AVAILABILITY OF DOCUMENTS

THE HOSPITAL'S ARTICLES OF INCORPORATION ARE ON FILE AND ARE AVAILABLE TO
THE PUBLIC IN THE MISSISSIPPI SECRETARY OF STATE'S OFFICE. THE BYLAWS AND
THE CONFLICT OF INTEREST POLICY ARE NOT PUBLICLY AVAILABLE. HOWEVER, THE
FINANCIAL STATEMENTS OF THE HOSPITAL ARE AVAILABLE TO THE PUBLIC BOTH
THROUGH DUNN & BRADSTREET AND AS A PART OF THIS FORM 990.

GENERAL STATEMENT 6

PART VII, SECTION B: INDEPENDENT CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
MORRISON HEALTHCARE, INC. P.O. BOX 102289 ATLANTA, GA 30368	FOOD SERVICES	\$2,375,340.
SODEXHO INC AND AFFILIATES P.O. BOX 536922 ATLANTA, GA 30353	ENVIRONMENTAL SERVICES	\$2,429,290.

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BLOOD SYSTEM, INC. WHOLE BLOOD \$1,553,930.
P.O. BOX 621 SERVICES
MERIDIAN, MS 39302

RCG MERIDIAN ACUTE DIALYSIS SERVICES \$451,291.
P.O. BOX 62760
NEW ORLEANS, LA 70162

MAYO COLLABORATIVE SVCS. LABORATORY SERVICES \$437,209.
P.O. BOX 9146
MINNEAPOLIS, MN 55480

TOTAL COMPENSATION \$7,247,060.

GENERAL STATEMENT 7

PART XI: RECONCILIATION OF NET ASSETS

LINE 5: OTHER CHANGES IN NET ASSETS OR FUND BALANCES

TRANSFER TO AFFILIATES (\$24,103,871)

UNREALIZED GAIN ON INVESTMENTS \$ 218,935

TOTAL (\$23,884,936)

Name of the organization

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ATTACHMENT 1

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION
DR. JOSEPH ANDERSON	
DIRECTOR - CHAPLAIN	1.00
WANDA COOPER	
VICE-PRESIDENT	1.00
ANN LUNDY	
VICE-PRESIDENT (RES. 05-2012)	1.00
RICHARD HIGHTOWER	
VICE-PRESIDENT	1.00

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2010

Department of the Treasury
Internal Revenue Service

► 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.

Open to Public
Inspection

Name of the organization

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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
(1)						
(2)						
(3)						
(4)						
(5)						
(6)						

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 entity?
							Yes No
(1)	MEDICAL SUPPORT AND DEVELOPMENT, ORG. 122 WOODMONT WAY RIDGELAND, MS 39157 64-0722433	SUP. ORG.	MS	501 (C) (3)	11C, III-FI	N/A	X
(2)	ANDERSON SUPPORT AND DEVELOPMENT, FDN. 7651 POPLAR SPRINGS DRIVE MERIDIAN, MS 39305 64-0730109	SUP. ORG.	MS	501 (C) (3)	11D, III-O	N/A	X
(3)	MIRACLES OF GRACE FOUNDATION, INC. 1827 SUNRISE LANE TOOMSUBA, MS 39364 64-0730366	SUP. ORG.	MS	501 (C) (3)	11C, III-FI	N/A	X
(4)	CARE CONSISTENCY FOUNDATION, INC. 7761 MEADOW CIRCLE MERIDIAN, MS 39305 64-0730846	SUP. ORG.	MS	501 (C) (3)	11D, III-O	N/A	X
(5)	ANDERSON PHYSICIAN ALLIANCE, INC. 2124 14TH STREET MERIDIAN, MS 39301 27-3274203	PHYSICIAN SVC	MS	501 (C) (3)	3	ARMC	X
(6)							
(7)							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2010

JSA

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	
(1) EAST MISSISSIPPI ENDOSCOPY CTR. 1929 23RD AVENUE JARMC LEVERAGE, LLC 27-2284311 2124 14TH ST.	HEALTH CARE	MS	ARMC	RELATED	-865,067.	1,250,056.		X	0.		X	51.0000
(2) JARMC LEVERAGE, LLC 27-2284311 2124 14TH ST.	INVESTMENTS	MS	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
(3) _____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
(4) _____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
(5) _____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
(6) _____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
(7) _____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

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) MERIDIAN HEART SERVICES, INC. 2124 14TH STREET MERIDIAN, MS 39301 64-0761952	INACTIVE	MS	ARMC	C	0.	0.	100.0000
(2) ANDERSON PHYSICIAN HOSPITAL ORG. 2124 14TH STREET MERIDIAN, MS 39301 64-0850305	PHYS. ORG.	MS	ARMC	C	-26,314.	48,064.	100.0000
(3) ARMC HOSPITAL PROF. & GEN. LIFT 512 22ND AVENUE MERIDIAN, MS 39301 20-6131090	TRUST	MS	ARMC	T	92,957.	9,411,750.	100.0000
(4) _____	_____	_____	_____	_____	_____	_____	_____
(5) _____	_____	_____	_____	_____	_____	_____	_____
(6) _____	_____	_____	_____	_____	_____	_____	_____
(7) _____	_____	_____	_____	_____	_____	_____	_____

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**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?

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

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

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	ANDERSON PHYSICIAN ALLIANCE, INC.	D	98,416.	FMV
(2)	ANDERSON PHYSICIAN ALLIANCE, INC.	O	7,788,952.	FMV
(3)	ANDERSON PHYSICIAN ALLIANCE, INC.	N	867,022.	FMV
(4)				
(5)				
(6)				

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

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

	(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
				Yes	No		Yes	No		Yes	No
(1)											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
(11)											
(12)											
(13)											
(14)											
(15)											
(16)											

Schedule R (Form 990) 2010

Part VII Supplemental Information

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



Articles of Amendment

The undersigned persons, pursuant to Section 79-4-10.06 (if a profit corporation) or Section 79-11-305 (if a nonprofit corporation) of the Mississippi Code of 1972, hereby execute the following document and set forth:

1. Type of Corporation

☐

Profit

☒

Nonprofit

2. Name of Corporation

JEFF ANDERSON REGIONAL MEDICAL CENTER

3. The future effective date is
(Complete if applicable)

4. Set forth the text of each amendment adopted. (Attach page)

5. If an amendment for a business corporation provides for an exchange, reclassification, or cancellation of issued shares, set forth the provisions for implementing the amendment if they are not contained in the amendment itself. (Attach page)

6. The amendment(s) was (were) adopted on

DECEMBER 7, 2010

Date(s)

FOR PROFIT CORPORATION (Check the appropriate box)

Adopted by

☐

the incorporators

☐directors without shareholder action and
shareholder action was not required.

FOR NONPROFIT CORPORATION (Check the appropriate box)

Adopted by

☐

the incorporators

☒board of directors without member action and
member action was not required.

FOR PROFIT CORPORATION

7. If the amendment was approved by shareholders

(a) The designation, number of outstanding shares, number of votes entitled to be cast by each voting group entitled to vote separately on the amendment, and the number of votes of each voting group indisputably represented at the meeting were

Designation	No. of outstanding shares	No. of votes entitled to be cast	No. of votes indisputably represented
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

10-408643

Articles of Amendment



--	--	--	--

(b) EITHER

(i) the total number of votes cast for and against the amendment by each voting group entitled to vote separately on the amendment was

Voting group	Total no of votes cast FOR	Total no of votes cast AGAINST

OR

(ii) the total number of undisputed votes cast for the amendment by each voting group was

Voting group	Total no. of undisputed votes cast FOR the plan

and the number of votes cast for the amendment by each voting group was sufficient for approval by that voting group.

FOR NONPROFIT CORPORATION

8. If the amendment was approved by the members

(a) The designation, number of memberships outstanding, number of votes entitled to be cast by each class entitled to vote separately on the amendment, and the number of votes of each class indisputably represented at the meeting were

Designation	No. of memberships outstanding	No. of votes entitled to be cast	No. of votes indisputably represented

102408643

Articles of Amendment



(b) EITHER

(i) the total number of votes cast for and against the amendment by each class entitled to vote separately on the amendment was

Voting class	Total no. of votes cast FOR	Total no. of votes cast AGAINST
DIRECTORS	7	

OR

(ii) the total number of undisputed votes cast for the amendment by each class was

Voting class	Total no. of undisputed votes cast FOR the amendment

and the number of votes cast for the amendment by each voting group was sufficient for approval by that voting group.

By: Signature

(Please keep writing within blocks)

Printed Name

L. RAY HUMPHREYS

Title

PRESIDENT and
CEO

102408643

RESOLUTION

RESOLVED, That the following amendment to the Articles of Incorporation of Jeff Anderson Regional Medical Center has been adopted on this the 7th day of December, 2010;

1. That the name be changed to Anderson Regional Medical Center

RESOLVED FURTHER, That L. Ray Humphreys, the President and Chief Executive Officer, is hereby authorized to take such actions and to sign such documents as will reflect the change in said corporate name, and to thereafter use said new corporate name as Management deems appropriate;

RESOLVED FURTHER, That Management is hereby authorized to make such changes in the corporate logo, letterhead and other print material, and other identifying marks of the corporation to reflect the new corporate name and image, and to take such actions as Management deems necessary and appropriate in connection therewith; and

RESOLVED FURTHER, That the Bylaws of the corporation are hereby restated and adopted in the form attached as Exhibit "A" reflecting the new corporate name and other changes contained therein.

ADOPTED this 7th day of December, 2010.

JEFF ANDERSON REGIONAL
MEDICAL CENTER

BY: Joseph M.S. Anderson, D.Min.
JOSEPH M.S. ANDERSON, D. Min.,
Chairman of the Board of Directors

102408643

GLOVER, YOUNG, WALTON & SIMMONS, PLLC

H. WINGFIELD GLOVER, JR.
RALPH E. YOUNG, JR.
RONNIE L. WALTON
H. WINGFIELD GLOVER, III*
WILLIAM W. SIMMONS
STEPHEN B. JACKSON**
REED C. DARSEY

*LL M TAXATION ALSO ADMITTED IN COLORADO
**LL M TAXATION

Attorneys and Counselors at Law
JEFFERSON SQUARE OFFICE PLAZA
1724A 23RD AVENUE
MERIDIAN, MISSISSIPPI 39301

MAILING ADDRESS
POST OFFICE DRAWER 5514
MERIDIAN, MISSISSIPPI
39302-5514
TELEPHONE 601-693-1301
TELECOPIER 601-693-1363

December 17, 2010

Secretary of State
State of Mississippi
P.O. Box 136
Jackson, MS 39205-0136

RE: Articles of Amendment – Jeff Anderson Regional Medical Center,
Meridian, Mississippi

Gentlemen:

I hand you Form 0012 being filed by Jeff Anderson Regional Medical Center to effect a change of name to "Anderson Regional Medical Center". Our firm check in the amount of \$50.00 is enclosed as your filing fee.

Please file this Articles of Amendment and process it in the ordinary course of business.

Thanks for your help.

Yours very truly,



H. WINGFIELD GLOVER, JR.

HWGjr/ssr

Enclosure

cc: L. Ray Humphreys (w/enc)

102406643



**ANDERSON REGIONAL MEDICAL CENTER
AND SUBSIDIARIES**

Combined Financial Statements

September 30, 2011 and 2010

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 1100
One Jackson Place
188 East Capitol Street
Jackson, MS 39201-2127

Independent Auditors' Report

The Board of Directors
Anderson Regional Medical Center:

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

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Anderson Regional Medical Center and subsidiaries as of September 30, 2011 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

As discussed in note 1(u), in fiscal 2011 the System changed its method of accounting for noncontrolling interests as a result of the adoption of ASU No. 2010-07, *Not-for-Profit Entities: Mergers and Acquisitions*, which amended ASC 958 for Not-for-Profit Entities. The fiscal 2010 combined financial statements were restated to reflect the resultant new presentation of noncontrolling interests.

KPMG LLP

July 23, 2012

**ANDERSON REGIONAL MEDICAL CENTER
AND SUBSIDIARIES**

Combined Balance Sheets

September 30, 2011 and 2010

Assets	2011	2010
Current assets:		
Cash and cash equivalents	\$ 3,112,461	4,236,250
Assets limited as to use – required for current liabilities	24,862,625	2,650,108
Patient accounts receivable, less allowance for uncollectible accounts of \$35,538,000 in 2011 and \$19,016,000 in 2010	38,401,620	22,839,255
Interest receivable	—	138,739
Inventories	7,164,116	6,872,446
Prepaid expenses	3,220,582	1,659,470
Total current assets	<u>76,761,404</u>	<u>38,396,268</u>
Assets limited as to use:		
Designated by Board for capital improvements	824,901	56,704,343
Held by trustee for self-insurance funding	8,451,749	8,577,847
Total assets limited as to use, less current portion	<u>9,276,650</u>	<u>65,282,190</u>
Property and equipment, net	146,478,321	116,675,001
Notes receivable	25,152,206	24,358,849
Other assets	7,201,215	4,282,780
Total assets	<u>\$ 264,869,796</u>	<u>248,995,088</u>
Liabilities and Unrestricted Net Assets		
Current liabilities:		
Accounts payable	\$ 20,347,470	7,028,061
Due to project contractor	2,312,625	1,680,108
Accrued salaries, wages, and fees	2,310,196	1,464,264
Accrued vacation pay	4,595,356	2,845,186
Due to third-party payors	2,700,221	707,620
Current portion of estimated professional and general liability costs	960,000	970,000
Current portion of capital lease obligation	164,568	164,432
Current portion of long-term debt	21,618,717	—
Line of credit	3,025,223	—
Other accrued expenses	10,996,324	8,602,513
Total current liabilities	<u>69,030,700</u>	<u>23,462,184</u>
Estimated professional and general liability costs, less current portion	7,739,000	6,894,000
Capital lease obligations	558,035	722,603
Long-term debt, less current portion	30,247,715	29,965,000
Asset retirement obligations	664,126	632,500
Total liabilities	<u>108,239,576</u>	<u>61,676,287</u>
Noncontrolling interest	312,933	274,128
Unrestricted net assets	<u>156,317,287</u>	<u>187,044,673</u>
Total net assets	<u>156,630,220</u>	<u>187,318,801</u>
Commitments and contingencies	—	—
Total liabilities and unrestricted net assets	<u>\$ 264,869,796</u>	<u>248,995,088</u>

See accompanying notes to combined financial statements.

**ANDERSON REGIONAL MEDICAL CENTER
AND SUBSIDIARIES**

Combined Statements of Operations
Years ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unrestricted revenues and other support:		
Net patient service revenue	\$ 196,695,590	164,584,917
Other revenue	10,249,882	9,589,056
Total unrestricted revenues and other support	<u>206,945,472</u>	<u>174,173,973</u>
Expenses:		
Salary and wages	81,152,902	59,723,301
Employee benefits	19,232,219	14,595,926
Supplies	27,679,069	22,628,101
Drugs	15,171,666	12,911,712
Purchased services	27,886,385	16,588,214
Administrative and general	25,627,613	14,649,548
Depreciation and amortization	10,284,167	9,399,002
Provision for uncollectible accounts	32,446,327	21,663,041
Total expenses	<u>239,480,348</u>	<u>172,158,845</u>
Operating income (loss)	<u>(32,534,876)</u>	<u>2,015,128</u>
Nonoperating gains (losses):		
Net investment income	1,943,540	1,607,411
New market tax credit interest, net	542,749	464,488
Equity in net income (loss) of equity investee	(9,543)	199,990
Medical Towers Office Building, net	(218,805)	(410,971)
Gain on sale of subsidiary	—	855,862
Loss on disposal of property and equipment	(95,871)	(14,970)
Nonoperating gains, net	<u>2,162,070</u>	<u>2,701,810</u>
Revenues, gains, and other support in excess of (less than) expenses and losses before noncontrolling interest	(30,372,806)	4,716,938
Noncontrolling interest	<u>(283,805)</u>	<u>(10,855)</u>
Revenues, gains, and other support in excess of (less than) expenses and losses	(30,656,611)	4,706,083
Unrealized losses on other than trading securities, net	(172,244)	(134,670)
Contributions restricted to equipment purchases received and expended within same year	<u>101,469</u>	<u>57,574</u>
(Decrease) increase in unrestricted net assets	<u>\$ (30,727,386)</u>	<u>4,628,987</u>

See accompanying notes to combined financial statements.

**ANDERSON REGIONAL MEDICAL CENTER
AND SUBSIDIARIES**

Combined Statements of Changes in Net Assets

Years ended September 30, 2011 and 2010

	<u>Unrestricted</u>	<u>Noncontrolling Interests</u>	<u>Total</u>
Balances at September 30, 2009	\$ 182,415,686	—	182,415,686
Revenues, gains, and other support in excess of expenses and losses	4,706,083	10,855	4,716,938
Purchase of shares from noncontrolling shareholders	—	459,273	459,273
Distributions to noncontrolling interests	—	(196,000)	(196,000)
Unrealized losses on other than trading securities, net	(134,670)	—	(134,670)
Contributions restricted to equipment purchases received and expended within the same year	<u>57,574</u>	<u>—</u>	<u>57,574</u>
Change in net assets	<u>4,628,987</u>	<u>274,128</u>	<u>4,903,115</u>
Balances at September 30, 2010	<u>187,044,673</u>	<u>274,128</u>	<u>187,318,801</u>
Revenues, gains, and other support (less than) in excess of expenses and losses	(30,656,611)	283,805	(30,372,806)
Distributions to noncontrolling interests	—	(245,000)	(245,000)
Unrealized losses on other than trading securities, net	(172,244)	—	(172,244)
Contributions restricted to equipment purchases received and expended within same year	<u>101,469</u>	<u>—</u>	<u>101,469</u>
Change in net assets	<u>(30,727,386)</u>	<u>38,805</u>	<u>(30,688,581)</u>
Balances at September 30, 2011	<u><u>\$ 156,317,287</u></u>	<u><u>312,933</u></u>	<u><u>156,630,220</u></u>

See accompanying notes to combined financial statements.

**ANDERSON REGIONAL MEDICAL CENTER
AND SUBSIDIARIES**

Combined Statements of Cash Flows
Years ended September 30, 2011 and 2010

	2011	2010
Cash flows from (used in) operating activities:		
(Decrease) increase in net assets	\$ (30,688,581)	4,903,115
Adjustments to reconcile (decrease) increase in unrestricted net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	11,853,908	10,046,700
Provision for uncollectible accounts	22,739,299	21,592,032
Accretion of asset retirement obligations	31,626	30,119
Loss on disposal of property and equipment	95,871	14,970
Realized and unrealized gains, net	(1,001,997)	(422,287)
Equity in net income of equity investee	9,543	(199,990)
Dividends received from equity investee	—	175,000
Restricted contributions for equipment purchases	(101,469)	(57,574)
Changes in operating assets and liabilities:		
Patient accounts receivable, net	(38,301,664)	(22,539,895)
Interest receivable	138,739	(464,488)
Due to third-party payors	1,992,601	1,188,601
Inventories and prepaid expenses	507,337	(553,540)
Current liabilities, excluding amounts due to project contractor	18,309,322	706,380
Estimated professional and general liability costs	835,000	652,000
Net cash (used in) provided by operating activities	<u>(13,580,465)</u>	<u>15,071,143</u>
Cash flows from investing activities:		
Capital expenditures	(18,131,219)	(22,442,474)
Net purchases (sales) of trading securities	14,316,371	(5,582,847)
Proceeds from sale or maturity of investments	25,806,947	109,088,460
Purchases of investments	(5,328,298)	(100,521,333)
Acquisition of East Mississippi Endoscopy Center, net of cash	—	(2,985,898)
Investment in Regional Medical Support Center, Inc.	—	(375,000)
Acquisition of assets of Riley Hospital	(26,360,119)	—
Issuance of notes receivable	(793,357)	(24,033,100)
Proceeds from sale of property and equipment	—	13,796
Other assets	(1,815,872)	(42,168)
Net cash used in investing activities	<u>(12,305,547)</u>	<u>(46,880,564)</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	25,330,000	29,965,000
Repayment of long term debt	(3,428,568)	—
Proceeds from line of credit	3,025,223	—
Repayment of capital lease	(164,432)	(101,174)
Net cash provided by financing activities	<u>24,762,223</u>	<u>29,863,826</u>
Net decrease in cash and cash equivalents	<u>(1,123,789)</u>	<u>(1,945,595)</u>
Cash and cash equivalents at beginning of year	<u>4,236,250</u>	<u>6,181,845</u>
Cash and cash equivalents at end of year	<u>\$ 3,112,461</u>	<u>4,236,250</u>
Supplemental disclosure of noncash investing/financing activities:		
Financing with capital lease obligation	\$ —	988,209
Net change in non cash property and equipment	632,517	1,670,944
Accrual of noncash interest on notes receivable	793,357	—

See accompanying notes to combined financial statements.

**ANDERSON REGIONAL MEDICAL CENTER
AND SUBSIDIARIES**

Notes to Combined Financial Statements

September 30, 2011 and 2010

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

Anderson Regional Medical Center and subsidiaries (the System) is a not-for-profit healthcare system operating a 400-bed acute-care hospital and related outpatient care facilities in Meridian, Mississippi. Effective December 7, 2010, the System changed its name from Jeff Anderson Regional Medical Center to Anderson Regional Medical Center.

On December 31, 2010, the System acquired certain assets of Meridian HMA, LLC, Meridian HMA Nursing Home, LLC, and Meridian HMA Clinic Management, LLC. These assets included Riley Hospital, a 140-bed general acute care hospital and related supporting facilities.

(b) Principles of Combination

The accompanying combined financial statements include Anderson Regional Medical Center (the Medical Center), all affiliates for which the Medical Center is controlling member, and its wholly owned subsidiaries. Such affiliates and subsidiaries of the System include:

- Meridian Heart Services, Inc.
- Anderson Physician Alliance, Inc.
- East Mississippi Endoscopy Center, LLC.
- JARMC Leverage, LLC.

All material intercompany accounts and transactions are eliminated in combination.

(c) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires that management make estimates and assumptions affecting the reported amounts of assets, liabilities, revenues and expenses, as well as disclosures regarding contingent assets and liabilities. Actual results could differ from those estimates.

Significant items subject to such estimates and assumptions include the determination of the allowances for uncollectible accounts and contractual adjustments, reserves for professional and general liability claims, reserves for employee healthcare claims, and estimated third-party payor settlements. In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to these programs could change by a material amount in the near term.

(d) Cash Equivalents

The System considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**ANDERSON REGIONAL MEDICAL CENTER
AND SUBSIDIARIES**

Notes to Combined Financial Statements

September 30, 2011 and 2010

(e) Inventories

Inventories, consisting primarily of medical supplies and pharmaceuticals, are stated at the lower of cost (first-in, first-out) or replacement market.

(f) Assets Limited as to Use

Assets limited as to use consist of assets set aside by the board of directors for future capital improvements, over which the board retains control and may at its discretion subsequently use for other purposes, and assets held by trustee for self-insurance funding. Amounts required to meet current liabilities of the System are classified as current assets in the accompanying combined balance sheets.

(g) Long-lived Assets

Property and equipment, including leasehold improvements, are recorded at cost. Property and equipment under capital leases are initially valued and recorded based on the present value of minimum lease payments. Depreciation is computed on the straight-line method based upon the shorter of the estimated useful lives of the assets or the lease term.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from revenues, gains, and other support in excess of (less than) expenses and losses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Contributions restricted to the purchase of property and equipment, which restrictions are met within the same year as received, are reported as increases in unrestricted net assets in the accompanying combined financial statements.

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized to the extent the carrying amount of the asset exceeds its fair value. Assets to be disposed of are separately presented in the combined balance sheets and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale are presented separately in the assets and liabilities sections of the combined balance sheets.

(h) Investments in Equity Investee

The System has a 50% ownership interest in Regional Medical Support Center, Inc., which is accounted for by the equity method.

**ANDERSON REGIONAL MEDICAL CENTER
AND SUBSIDIARIES**

Notes to Combined Financial Statements

September 30, 2011 and 2010

(i) Goodwill

Goodwill, included in other assets, is the amount by which purchase price exceeds the fair value of assets acquired and was amortized over the expected useful life of the underlying acquired assets using the straight-line method through fiscal 2010.

In January 2010, the FASB issued ASU 2010-07, *Not-for-Profit Entities: Mergers and Acquisitions*, which amends ASC 958, *Not-for-Profit Entities*. Under these standards, goodwill and indefinite-lived intangibles assets are no longer amortized but are reviewed for impairment annually or more frequently if circumstances indicate potential impairment. Separable intangible assets that are not deemed to have an indefinite life continue to be amortized over their useful lives. Goodwill prior to October 1, 2010 was amortized through September 30, 2010 at which time amortization ceased and a transition goodwill impairment test was performed. Impairment charges resulting from the initial application of the new rules would have been classified as a cumulative change in accounting principal. The System was not required to record an impairment charge upon completion of the initial impairment test.

Goodwill is reviewed for impairment at least annually. The goodwill impairment test is a two-step test. Under the first step, the fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the enterprise must perform step two of the impairment test (measurement). Under step two, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation and the residual fair value after this allocation is the implied fair value of the reporting unit goodwill acquired. Fair value of the reporting unit is determined using a discounted cash flow analysis. If the fair value of the reporting unit exceeds its carrying value, step two does not need to be performed. No impairment loss was required to be recognized in 2011.

(j) Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the combined balance sheets. Investment income or loss (including unrealized gains and losses on trading securities, realized gains and losses on all investments, interest and dividends) is included in the combined statements of operations as nonoperating gains unless the income is restricted by donor or law. Unrealized gains and losses on other-than-trading securities are reported as a change in unrestricted net assets and, in accordance with relevant accounting literature, excluded from revenues, gains, and other support in excess of (less than) expenses and losses.

The System also regularly evaluates its individual investments for unrealized losses that are deemed to be other-than-temporary, which the System generally defines as individual investments with an unrealized loss greater than 30% of original cost sustained for a period greater than one year. Any such losses are included in revenues, gains, and other support in excess of (less than) expenses and losses in the period of determination.

**ANDERSON REGIONAL MEDICAL CENTER
AND SUBSIDIARIES**

Notes to Combined Financial Statements

September 30, 2011 and 2010

(k) *Estimated Professional and General Liability Costs*

The provision for estimated professional and general liability claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

(l) *Asset Retirement Obligations*

The System recognizes the fair value of a liability for legal obligations associated with the retirements in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, the System capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any differences between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the combined statements of operations.

(m) *Combined Statements of Operations*

For purposes of presentation, transactions deemed by management to be ongoing, major, or central to the provision of healthcare services are reported as revenue and expenses. Peripheral or incidental transactions are reported as nonoperating gains and losses. Changes in unrestricted net assets which are excluded from revenues, gains, and other support in excess of (less than) expenses and losses, consistent with industry practice and relevant accounting literature, include unrealized gains (losses) on other than trading securities, contributions restricted to equipment purchases, received and expended within same year, and adjustments which may from time-to-time be required to apply new accounting standards.

(n) *Charity Care*

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

(o) *Net Patient Service Revenue*

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

(p) *Provision for Uncollectible Accounts*

The System provides for an allowance against patient accounts receivable for amounts that could become uncollectible whereby such receivables are reduced to their estimated net realizable value. The System estimates this allowance based on the aging of accounts receivable, historical collection experience, and other relevant factors. There are various factors that can impact the collection trends,

**ANDERSON REGIONAL MEDICAL CENTER
AND SUBSIDIARIES**

Notes to Combined Financial Statements

September 30, 2011 and 2010

such as changes in the economy, which in turn have an impact on unemployment rates and the number of uninsured and underinsured patients, the increased burden of copayments to be made by patients with insurance, and business practices related to collection efforts. These factors continuously change and can have an impact on collections trends and the estimation process.

(q) *Income Taxes*

The System qualifies as tax-exempt under Internal Revenue Code (IRC) Section 501(a) as organizations described in IRC Section 501(c)(3), and its income is generally not subject to Federal or state income taxes. Anderson Physician Alliance, Inc. has applied for tax-exempt status under Internal Revenue Code (IRC) Section 501(a) as organizations described in IRC Section 501(c)(3). The System is also a member in East Mississippi Endoscopy Center, LLC and JARMC Leverage, LLC which are non-taxable (pass-through) entities.

The System applies FASB ASC Topic 740, *Accounting for Uncertainty in Income Taxes* (Topic 740), which clarifies the accounting for uncertainty in income tax positions and provides guidance on when tax positions are recognized in an entity's financial statements and how the values of these positions are determined. There has been no impact on the System's combined financial statements as a result of Topic 740.

(r) *Functional Expense Classification*

All expenses in the accompanying combined statements of operations were incurred for or related to the provision of healthcare services by the System.

(s) *Fair Value Measurements*

The System applied FASB ASC Topic 820, *Fair Value Measurements and Disclosures* (Topic 820), which establishes an enhanced framework for measuring fair value and expands disclosures about fair value measurements.

The System also follows FASB Accounting Standards Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements*, which amended Topic 820. ASU 2010-06 requires that the System provide enhanced disclosures related to its fair value measurements.

(t) *Endowment Accounting*

The System follows the provisions of FASB ASC Subtopic 958-205, *Classification of Donor-Restricted Endowment Funds Subject to the Uniform Prudent Management of Institutional Funds Act of 2006* (UPMIFA) (Subtopic 958-205). Subtopic 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the UPMIFA and also requires disclosures about endowment funds (both donor-restricted and board-designated). As of September 30, 2011, the State of Mississippi has not enacted a version of UPMIFA.

**ANDERSON REGIONAL MEDICAL CENTER
AND SUBSIDIARIES**

Notes to Combined Financial Statements

September 30, 2011 and 2010

(u) New Accounting Standards

Recently Adopted

In January 2010, the FASB issued ASU 2010-07, *Not-for-Profit Entities: Mergers and Acquisitions*, which amends ASC 958 for Not-for-Profit Entities (NFP). The amendments in this standard provide guidance on, among other things, accounting for combinations of NFPs. It defines a merger of NFPs as one in which one NFP cedes control to another NFP. In the case of a merger, the carryover method applies, which requires combining the assets and liabilities as of the merger date. Combinations are accounted for as acquisitions when consideration is transferred to the former owner or designee. Acquisitions are accounted for by applying fair market values to acquired assets and liabilities, including identifiable intangible assets and the recognition of goodwill in the case of NFPs with operations not predominantly supported by contributions. Any resulting goodwill is analyzed for impairment annually or if business conditions indicate an analysis is necessary, and is not otherwise amortized. The guidance requires that noncontrolling ownership interests in subsidiaries held by parties other than the parent be clearly identified, labeled, and presented in the combined balance sheet within net assets, but separate from the parent's net assets. In addition, the standard requires that a combined schedule of changes in net assets attributable to the parent and noncontrolling interests be provided for each class of net assets for which a noncontrolling interest exists during the reporting period. The System adopted ASU 2010-07 in fiscal 2011, and has restated its previously presented fiscal 2010 combined financial statements to reflect the new presentation of noncontrolling interests.

Recently Issued

The FASB issued ASU 2010-23, *Health Care Entities (Topic 954): Measuring Charity Care for Disclosure* in August 2010. ASU 2010-23 amends ASC Subtopic 954-605, *Health Care Entities – Revenue Recognition* to require that cost be used as the measurement basis for charity care disclosure purposes. The method used to estimate such costs as well as any funds received to offset or subsidize charity services provided should also be disclosed. The System expects to adopt this ASU in fiscal 2012.

The FASB issued ASU 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries* in August 2010. ASU 2010-24 amends ASC Subtopic 954-450, *Health Care Entities – Contingencies*, to clarify that a health care entity should not net insurance recoveries against a related liability and the claims liability should be determined without consideration of insurance recoveries. The ASU is effective for the System's fiscal 2012.

In July 2011, the FASB issued ASU 2011-07, *Health Care Entities: Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. This ASU will change the System's presentation of the provision for uncollectible accounts in the statements of operations from an operating expense to a deduction from net patient service revenue. It also expands disclosures regarding policies for recognizing revenue, assessing contra revenue line items, and activity in the allowance for uncollectible accounts. The System expects to adopt this ASU in fiscal 2013.

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The FASB issued ASU 2011-08, *Testing Goodwill for Impairment* in September 2011. ASU 2011-08 permits an entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step test for impairment of goodwill. If an entity concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, it would not be required to perform the two-step impairment test for that reporting unit. The System expects to adopt this ASU in fiscal 2012.

(v) Current Healthcare Environment

The U.S. economy appears to be slowly recovering from the downturn of the past several years. System management monitors economic conditions closely, both with respect to potential impacts on the healthcare provider industry and from a more general business perspective. Management recognizes that economic conditions may continue to impact the System in a number of ways, including (but not limited to) uncertainties associated with U.S. financial system reform and rising self-pay patient volumes and corresponding increases in uncompensated care.

Additionally, the general healthcare industry environment is increasingly uncertain, especially with respect to the impacts of the federal healthcare reform legislation which was passed in the spring of 2010. Potential impacts of ongoing healthcare industry transformation include, but are not limited to:

- Significant (and potentially unprecedented) capital investment in healthcare information technology (HCIT);
- Continuing volatility in the state and federal government reimbursement programs;
- Lack of clarity related to the health benefit exchange framework mandated by reform legislation, including important open questions regarding exchange reimbursement levels, changes in combined state/federal disproportionate share payments, and impact on the healthcare "demand curve" as the previously uninsured enter the insurance system;
- Effective management of multiple major regulatory mandates, including achievement of meaningful use of HCIT and the transition to ICD-10; and
- Significant potential business model changes throughout the healthcare ecosystem, including within the healthcare commercial payor industry.

The business of healthcare in the current economic, legislative, and regulatory environment is volatile. Any of the above factors, along with others both currently in existence and which may or may not arise in the future, could have a material adverse impact on System's financial position and operating results.

(w) Reclassifications

Certain reclassifications have been made in the 2010 combined financial statements to conform with the 2011 presentation.

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(2) Net Patient Service Revenue

The System has agreements with governmental and other third-party payors that provide for reimbursement to the System at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the System's billings at established rates for services and amounts reimbursed by third-party payors. A summary of the basis of reimbursement with major third-party payors follows:

- Medicare – Substantially all acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. Certain defined payments related to Medicare beneficiaries are paid based upon retroactive-determination methodologies. These payments for cost reimbursable items are made at tentative rates, with final settlement determined after submission of annual cost reports by the System and audits by the Medicare fiscal intermediary. The System's cost reports have been audited and settled for all fiscal years through 2006.
- Medicaid – Inpatient and outpatient services rendered to Medicaid program beneficiaries are generally paid based upon prospective reimbursement methodologies established by the State of Mississippi.

The State of Mississippi has implemented the Medicare Upper Payment Limit (UPL) program for providers participating in the state Medicaid program. The System has no amounts receivable from the UPL program as of September 30, 2010 and 2011. The net benefit to the System associated with its participation in the UPL program totaling approximately \$4,590,000 and \$5,065,000 for the years ended September 30, 2011 and 2010, respectively, is recognized as a reduction in related contractual adjustments in the accompanying combined statements of operations. There can be no assurance that the System will continue to qualify for future participation in this program or that the program will not ultimately be discontinued or materially modified.

- Blue Cross – All acute care services rendered to Blue Cross subscribers are reimbursed at prospectively determined rates.

The System has also entered into other reimbursement arrangements providing for payment methodologies, which include prospectively determined rates per discharge, discounts from established charges, and prospectively determined per diem rates.

Revenue from these programs, as a percentage of the System's net patient service revenue, follows:

	<u>2011</u>	<u>2010</u>
Medicare	36%	36%
Medicaid	22	12
Blue Cross	10	14
Other payors	32	38
	<u>100%</u>	<u>100%</u>

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Adjustments from finalization of prior year cost reports and other third-party settlement estimates resulted in decreases in net patient service revenue of approximately, \$128,000 and \$865,000 for the years ended September 30, 2011 and 2010, respectively.

The composition of net patient service revenue follows:

	<u>2011</u>	<u>2010</u>
Gross patient service revenue	\$ 592,117,092	458,142,460
Less provision for contractual and other adjustments	<u>395,421,502</u>	<u>293,557,543</u>
Net patient service revenue	<u>\$ 196,695,590</u>	<u>164,584,917</u>

In the spring of 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (Collectively, the Health Care Acts) were signed into law by President Obama. The impact of the Health Care Acts is complicated and difficult to predict, but the System anticipates its reimbursement in the future will be affected by major elements of the Health Care Acts designed to (1) increase insurance coverage, (2) change provider and payor behavior, and (3) encourage alternative delivery models. Many healthcare reform variables remain unknown and are, among other things, dependent on implementation by federal and state governments and reactions by providers, payors, employers, and individuals. The System continues to monitor developments in healthcare reform and participates actively in contemplating and designing new programs that are encouraged and/or required by the Health Care Acts.

The Health Information Technology for Economic and Clinical Health (HITECH) Act was enacted as part of the American Recovery and Reinvestment Act of 2009 and signed into law in February 2009. In the context of the HITECH Act, the System must implement a certified Electronic Health Record (EHR) in an effort to promote the adoption and "meaningful use" of health information technology (HIT). The HITECH Act includes significant monetary incentives and payment penalties meant to encourage the adoption of EHR technology. The System anticipates that its current efforts at implementing an enterprise-wide EHR will enable its compliance with the Meaningful Use objectives mandated in the HITECH legislation.

(3) Charity Care

The System maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy. Charges foregone, based on established rates, were approximately \$11,348,000 in 2011 and \$7,095,000 in 2010.

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(4) Business and Credit Concentrations

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

The mix of receivables from patients and third-party payors follows:

	<u>2011</u>	<u>2010</u>
Self-pay	31%	38%
Medicare	28	24
Other third-payors	23	25
Medicaid	9	5
Blue Cross	9	8
	<u>100%</u>	<u>100%</u>

(5) Assets Limited as to Use

The composition of assets limited as to use follows:

	<u>2011</u>	<u>2010</u>
Designated by the board for capital improvements:		
Cash and cash equivalents	\$ 502,411	2,552,796
Certificates of deposits	600,000	1,657,834
Fixed income investments, principally obligations of the U.S. government and its agencies	23,531,884	47,967,971
Real estate – REIT	—	704,437
Equity securities	—	5,293,247
Accrued interest income	93,231	208,166
	<u>24,727,526</u>	<u>58,384,451</u>
Held by trustee for self-insurance funding:		
Cash and cash equivalents	1,222,941	714,129
Fixed income investments, principally obligations of the U.S. government and its agencies	8,188,808	8,833,718
	<u>9,411,749</u>	<u>9,547,847</u>
Total assets limited as to use	34,139,275	67,932,298
Less amounts required for current liabilities	24,862,625	2,650,108
	<u>\$ 9,276,650</u>	<u>65,282,190</u>

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Net investment income is comprised of the following:

	<u>2011</u>	<u>2010</u>
Nonoperating gains, net:		
Interest and dividend income	\$ 739,299	1,050,454
Realized and unrealized gains, net	<u>1,204,241</u>	<u>556,957</u>
Net investment income	<u>\$ 1,943,540</u>	<u>1,607,411</u>
Other changes in unrestricted net assets:		
Unrealized losses on other than trading securities, net	\$ (172,244)	(134,670)

There were no other-than-temporary trading securities with unrealized losses at September 30, 2011. The following table reflects other-than-trading securities with unrealized losses at September 30, 2010. The table segregates investments that were in a sustained unrealized loss position for less than 12 months from those that were in a sustained unrealized loss position for 12 or more months:

	Sustained loss of less than 12 months		Sustained loss of 12 months or longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
2010:						
Fixed income investments, principally obligations of the U.S. government and its agencies	\$ 11,805,407	13,585	—	—	11,805,407	13,585

Unrealized losses on investments in the U.S. government and its agencies are generally caused by market interest rate increases. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than the amortized cost of the investment. Because the System has the intent and ability to hold these investments to maturity and such investments are principally obligations of the U.S. government and its agencies, these investments are not considered to be other-than-temporarily impaired at this time. During 2011 and 2010, and consistent with its policy in note 1, the System did not recognize any losses that are other-than-temporary.

(6) Investment in Equity Investee

The System's investment in Regional Medical Support Center, Inc. (RMSC) has been accounted for under the equity method and consists of an interest of 50% at September 30, 2011 and 2010. During fiscal 2010, the System purchased an additional interest 16.7% for \$375,000.

The System's equity in the net (loss) income of RMSC was approximately \$(9,500) and \$200,000 for the years ended September 30, 2011 and 2010, respectively, and is included in nonoperating gains, net in the combined statements of operations.

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The following represents unaudited summary financial information of the System's equity investee as of September 30, 2011 and 2010, respectively:

	<u>2011</u>	<u>2010</u>
Current assets	\$ 1,041,543	1,275,800
Property and equipment, net	1,047,329	1,337,748
Other assets, net	11,184	13,490
Current liabilities	(225,674)	(455,635)
Long term liabilities	(296,310)	(574,246)
Equity	<u>\$ 1,578,072</u>	<u>1,597,157</u>
Revenues	\$ 2,365,637	3,338,562
Expenses	<u>2,384,723</u>	<u>2,837,364</u>
Net (loss) income	<u>\$ (19,086)</u>	<u>501,198</u>

(7) Property and Equipment

A summary of property and equipment follows:

	<u>2011</u>	<u>2010</u>
Land	\$ 15,676,386	9,792,952
Land improvements	1,560,960	1,211,720
Buildings	136,207,159	117,372,026
Fixed equipment	38,604,852	38,604,852
Leasehold improvements	645,659	—
Movable equipment	<u>68,243,831</u>	<u>57,300,740</u>
	260,938,847	224,282,290
Less accumulated depreciation	<u>121,014,269</u>	<u>110,261,649</u>
	139,924,578	114,020,641
Construction in progress	<u>6,553,743</u>	<u>2,654,360</u>
Property and equipment, net	<u>\$ 146,478,321</u>	<u>116,675,001</u>

Construction in progress at September 30, 2011 is principally comprised of costs related to the upgrade of information technology software and infrastructure. The expected costs to complete ongoing projects total approximately \$1,700,000, which are expected to be completed by October 2012.

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(8) Other Assets

A summary of other assets follows:

	<u>2011</u>	<u>2010</u>
Goodwill, net of accumulated amortization of \$6,476,212 in 2011 and 2010	\$ 1,911,575	1,911,575
Other intangible assets	1,112,106	—
Investment in Regional Medical Support Center, Inc.	789,036	798,578
Deferred compensation	2,630,834	1,152,270
Other	757,664	420,357
	<u>\$ 7,201,215</u>	<u>4,282,780</u>

(9) Other Accrued Expenses

A summary of other accrued expenses follows:

	<u>2011</u>	<u>2010</u>
Payroll taxes withheld	\$ 535,145	1,005,704
Deferred compensation	2,630,834	1,152,270
Benefit plan liabilities	5,219,768	4,751,281
Employee health accrual	1,639,589	956,798
Other	970,988	736,460
	<u>\$ 10,996,324</u>	<u>8,602,513</u>

(10) Asset Retirement Obligation

The System's asset retirement obligations arise primarily from a legal obligation to remove asbestos in the System facilities at the time of major renovation or demolition.

The following table presents the activity for the asset retirement obligations:

	<u>2011</u>	<u>2010</u>
Balance at beginning of year	\$ 632,500	602,381
Accretion	31,626	30,119
Balance at end of year	<u>\$ 664,126</u>	<u>632,500</u>

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The following table presents the additional cost basis and accumulated depreciation:

	<u>2011</u>	<u>2010</u>
Additional cost basis	\$ 175,456	175,456
Accumulated depreciation	<u>172,233</u>	<u>171,160</u>
Net balance	<u>\$ 3,223</u>	<u>4,296</u>

(11) New Market Tax Credit Program

The System entered into a transaction with Capital One on April 14, 2010 to obtain financing through the New Market Tax Credit (NMTC) Program sponsored by the Department of Treasury. The NMTC Program permits certain corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments (QEI) in community development entities. The credit provided to the investor totals 39% of the initial value of the QEI and is claimed over a seven-year credit allowance period.

As part of this transaction the System contributed approximately \$24,000,000 to four supporting foundations. These foundations created JARMC Leverage, LLC which provided the funding for the NMTC program. The System has control over operations of JARMC Leverage, LLC and therefore the entity is included in the combined financial statements. JARMC Leverage, LLC provided funding and received two notes receivable as part of the NMTC program as follows:

	<u>2011</u>	<u>2010</u>
Notes receivable with interest paid quarterly at a rate of 1.23% and an accrued interest rate of 2.63% to be paid with a balloon payment due April 14, 2017	\$ 7,046,019	6,842,339
Notes receivable with interest paid quarterly at a rate of 1.26% and an accrued interest rate of 3.01% to be paid with a balloon payment due April 14, 2017	<u>18,106,187</u>	<u>17,516,510</u>
	<u>\$ 25,152,206</u>	<u>24,358,849</u>

As part of the NMTC transaction, the Medical Center obtained funding in exchange for two promissory notes as part of the NMTC program for \$8,265,000 and \$21,700,000.

In fiscal 2010, JARMC Mississippi Fund, LLC was formed as part of the NMTC Program with the System as the sole member. The System contributed \$194 as a capital investment in the JARMC Mississippi Fund, LLC. JARMC Mississippi Fund, LLC is entitled to receive the Mississippi state tax credits associated with this transaction. On August 23, 2010, the System sold its interest in JARMC Mississippi Fund, LLC to a

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financial institution for \$1,009,000, resulting in an \$855,862 gain, after expenses, for the System, which has been recorded in the System's 2010 combined statement of operations.

(12) Long-term Debt and Line of Credit

Long-term debt consisted of the following as of September 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Note payable associated with NMTC Program, interest paid quarterly at an interest rate of 1.30% with a balloon payment on April 14, 2017	\$ 8,265,000	8,265,000
Note payable associated with NMTC Program, interest paid quarterly at an interest rate of 1.00% with a balloon payment on April 14, 2017	21,700,000	21,700,000
Note payable with an interest rate of 3.50% due in monthly installments of \$3,263 through February 2016	311,432	—
Non-revolving line of credit with a variable interest rate equal to the applicable LIBOR plus 1.50% (1.75% at September 30, 2011), the maturity date is December 22, 2014	<u>21,590,000</u>	<u>—</u>
	51,866,432	29,965,000
Less current portion	<u>21,618,717</u>	<u>—</u>
	<u>\$ 30,247,715</u>	<u>29,965,000</u>

In December 2010, the System entered into a new non-revolving line of credit with a commercial lender. The agreement consists of a non-revolving line of credit of \$21,590,000. The funding from the non-revolving line of credit agreement was utilized to purchase the assets of Riley Hospital, as discussed in note 13, and the line of credit is secured by \$23,531,883 the System's assets limited as to use held by the creditor. The agreement requires the System to meet certain restrictive covenants. In fiscal 2011 the System breached the Debt Service Coverage Ratio covenant and the commercial lender declared a breach on December 28, 2011 with payment of the full note due within 30 days. The related notes payable is therefore classified as current as of September 30, 2011.

In July 2011, the System entered into a Revolving Credit agreement with a commercial bank that permits the System to borrow through July 2012 up to \$6,000,000, bearing interest at the applicable Prime rate, but not lower than 4%. At September 30, 2011, the System had \$2,974,777 available under this facility.

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The aggregate annual maturities of the long-term debt at September 30, 2011 are as follows:

2012	\$ 24,643,940
2013	29,739
2014	30,796
2015	31,892
2016	33,026
Thereafter	<u>30,122,262</u>
	<u>\$ 54,891,655</u>

The Company paid interest of approximately \$615,000 for the year ended September 30, 2011. No interest was paid by the Company for the year ended for the fiscal year ended September 30, 2010.

(13) Acquisitions

On December 31, 2010, the System acquired certain assets of Meridian HMA, LLC, Meridian HMA Nursing Home, LLC and Meridian HMA Clinic Management, LLC. These assets included Riley Hospital, a 140-bed general acute care hospital and related supporting facilities. The cost of the acquisition was \$26,360,119. The transaction was financed with available cash and a \$21,590,000 note receivable from a commercial bank.

The following is an allocation of the purchase price that was finalized in fiscal 2011:

Other intangible assets	\$ 1,112,106
Land and buildings	17,687,894
Equipment	5,200,000
Inventories	2,178,942
Prepaid Assets	<u>181,177</u>
	<u>\$ 26,360,119</u>

On December 1, 2009, the System purchased the majority interests in East Mississippi Endoscopy Center, LLC. The total purchase price was \$2,986,000 and was allocated as follows:

Current assets	\$ 606,000
Property and equipment	300,000
Goodwill	2,085,000
Liabilities	(5,000)

(14) Investment of Original Incorporators

The System was organized in 1928 under the provisions of Chapter 24, Mississippi Code of 1906. Under the terms of incorporation, no earnings arising from operation of the System can accrue to the benefit of the incorporators or be declared as dividends.

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(15) Benefit Plans

The System sponsors a trustee noncontributory defined contribution retirement plan covering substantially all full-time employees who meet certain age and length of service eligibility requirements. Contributions to the plan, which are not to exceed \$30,000 per participant, are equal to 5% of the compensation of the covered participants. Provisions for contributions to the plan were approximately \$2,839,000 in 2011 and \$2,370,000 in 2010.

The System also sponsors a benefit plan to provide supplemental retirement benefits for certain key System employees, which was amended and restated during the System's fiscal 2007, effective October 1, 2006. Deferred compensation benefits provided to employees under the amended plan remain taxable under Section 457(f) of the Internal Revenue Code.

The corresponding liability for benefits granted to System employees, which is estimated at \$2,381,000 for both September 30, 2011 and 2010, has been included in other accrued expenses in the accompanying combined balance sheets.

The System is self-insured with respect to employee health coverage, up to an individual annual claim limit of \$250,000. Substantial coverage with a third-party carrier is maintained for excess losses.

(16) Liability Insurance

The System is self-insured with respect to professional and general liability risks in an underlying \$1.75 million/\$6.25 million layer of coverage. Claims reported but not settled prior to June 15, 2003 are generally covered under the terms of certain prior claims-made policies.

The System also maintains substantial liability coverage in excess of self-insurance limits under the terms of certain claims-made insurance policies, which currently expire in June 2012. To the extent that any claims-made coverage is not renewed or replaced with equivalent insurance, claims based on occurrences during the term of such coverage, but reported subsequently, would be uninsured. In any event, management anticipates that the claims-made policies in place will be renewed or replaced with equivalent insurance as the term of such coverage expires.

Incurred losses identified through the System's incident reporting system and incurred but unreported losses are accrued based on estimates that incorporate the System's current inventory of reported claims and historical experience as well as other considerations such as the nature of each claim or incident, relevant trend factors, and other advice from consulting actuaries. The System has established a self-insurance trust fund for payment of liability claims and makes deposits to the fund in amounts recommended by consulting actuaries.

During the System's fiscal 2003, the System's multiprovider reciprocal liability insurance company (the Reciprocal) was required to enter receivership by its controlling regulatory insurance commissioner and was deemed insolvent on June 20, 2003. The Reciprocal, which provided certain claims-made coverages for the System through June 15, 2003, accepted reported claims through the date of insolvency. However, due to the insolvency of the Reciprocal, the deputy receiver has suspended payment of most otherwise-covered claims and the Reciprocal's ability to ultimately pay such claims is contingent on a

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number of factors, including the future development of associated reserves and loss adjustment expenses. The Reciprocal reports no open claims reserves associated with the System as of September 30, 2011. If the Reciprocal is unable to pay such claims as they are adjudicated, such claims would be uninsured. If State of Mississippi guaranty fund monies (which, under current statute, potentially makes available up to \$300,000 a claim) are not adequate to fund uninsured claims, the resultant claims could become a liability of the System. The System is unable to determine the probability or amount of any other such potential losses, and therefore, has not recognized any associated claims liabilities in the accompanying combined financial statements.

In June of 2006, the Food and Drug Administration (FDA) conducted an inspection of the System's breast care clinic. The inspection revealed several Level One violations including the failure to maintain accurate quality control records. The System responded to the concerns raised by the FDA but was ultimately required to submit to an advanced mammography review of randomly selected films. On September 29, 2006, the System learned that it had failed the advanced mammography review and was required to notify patients and physicians that the mammograms performed from October 2004 to October 2006 may be inadequate. Patients were urged to seek a repeat mammography as soon as possible. The System's estimates of potential exposure relating to losses emerging from the mammography incident have been considered by the System's actuaries in determining the System's estimated professional and general liability reported as of September 30, 2011 and 2010.

(17) Fair-Value Measurements

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions are used by the System in estimating the fair value of each class of financial instruments:

Cash and cash equivalents, patient accounts receivable, other receivables, accounts payable, due to project contractor, accrued salaries, wages and fees and accrued vacation pay and related accruals, estimated third-party payor settlements, and other liabilities: The carrying amounts approximate fair value because of the short maturity of these instruments.

Assets limited as to use: Assets limited as to use are reported at fair value as of the date of the combined financial statements.

Capital lease obligations: The fair value of the System's capital lease obligations is estimated as the present value of future minimum lease payments during the lease term.

FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the System has the ability to access at the measurement date;

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- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table represents the level within the fair value hierarchy for the System's assets that are measured at fair value on a reoccurring basis at September 30, 2011 and 2010.

		2011			
		Level 1	Level 2	Level 3	Total
Designated by the board for capital improvements:					
Cash and cash equivalents	\$	502,411	—	—	502,411
Certificates of deposits		600,000	—	—	600,000
Fixed income securities					
U.S. government obligations		15,962,704	7,569,180	—	23,531,884
Accrued interest income		93,231	—	—	93,231
		<u>17,158,346</u>	<u>7,569,180</u>	<u>—</u>	<u>24,727,526</u>
Held by trustee for self-insurance funding:					
Cash and cash equivalents		1,222,941	—	—	1,222,941
Fixed income securities					
U.S. government agency		—	5,463,799	—	5,463,799
Domestic obligations		—	2,725,009	—	2,725,009
		<u>1,222,941</u>	<u>8,188,808</u>	<u>—</u>	<u>9,411,749</u>
Total assets limited as to use	\$	<u>18,381,287</u>	<u>15,757,988</u>	<u>—</u>	34,139,275
Less amounts required for current liabilities					24,862,625
					<u>\$ 9,276,650</u>

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2010				
	Level 1	Level 2	Level 3	Total
Designated by the board for capital improvements:				
Cash and cash equivalents	\$ 2,552,796	—	—	2,552,796
Certificates of deposits	1,657,834	—	—	1,657,834
Fixed income securities				
U.S. government obligations	11,458,533	30,444,038	—	41,902,571
Domestic obligations	—	4,613,625	—	4,613,625
International obligations	—	1,451,775	—	1,451,775
Real estate – REIT	—	704,437	—	704,437
Equity securities	—	—	—	—
Domestic equities	1,656,638	—	—	1,656,638
International equities	1,211,231	—	—	1,211,231
Domestic mutual funds	2,134,434	—	—	2,134,434
International mutual funds	290,944	—	—	290,944
Accrued interest income	208,166	—	—	208,166
	<u>21,170,576</u>	<u>37,213,875</u>	<u>—</u>	<u>58,384,451</u>
Held by trustee for self-insurance funding:				
Cash and cash equivalents	714,129	—	—	714,129
Fixed income securities:				
U.S. government agency	—	8,833,718	—	8,833,718
	<u>714,129</u>	<u>8,833,718</u>	<u>—</u>	<u>9,547,847</u>
Total assets limited as to use	<u>\$ 21,884,705</u>	<u>46,047,593</u>	<u>—</u>	67,932,298
Less amounts required for current liabilities				<u>2,650,108</u>
				<u>\$ 65,282,190</u>

The investments classified as Level 2 include bonds and REITs whose fair values are determined by independent vendors. The vendors compile prices from various sources and may apply matrix pricing for similar bonds or loans where no price is observable in an actively traded market. If available, the vendor may also use quoted prices for recent trading activity of assets with similar characteristics to the bond being valued.

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(18) Leases

In fiscal year 2010, the System entered into two capital leases for lab equipment. Scheduled payments on capital lease obligations as of September 30, 2011 are as follows:

Years ending on September 30:	
2012	\$ 165,108
2013	165,108
2014	165,108
2015	165,108
2016	<u>63,518</u>
Total minimum lease payments	723,950
Less interest	<u>1,347</u>
Capital lease obligation	722,603
Less current portion capital lease obligation	<u>164,568</u>
	<u>\$ 558,035</u>

Capital assets totaling \$988,209 are related to the above capital lease obligations at both September 30, 2011 and 2010. Related accumulated depreciation was approximately \$266,041 and \$101,340 at September 30, 2011 and 2010, respectively.

Rental expense for all operating leases was approximately \$1,390,000 and \$397,000 in 2011 and 2010, respectively. Management expects that most lease agreements will be replaced, as they expire, with similar agreements. At September 30, 2011, future minimum lease payments required under noncancelable operating leases are as follows:

Years ending September 30:	
2012	\$ 345,910
2013	348,052
2014	346,160
2015	342,648
2016	347,233
Thereafter	<u>1,555,787</u>
	<u>\$ 3,285,790</u>

In late 2010, the FASB issued for comment *Proposed Accounting Standards Update – Leases (Topic 840)*. After receiving and considering significant feedback, the FASB intends to issue a related final ASU in calendar year 2012. This new guidance is expected to require the System to recognize virtually all of its leases on the consolidated balance sheet. Assuming the ASU is in fact issued, adoption will cause considerable changes in the presentation of the System's debt and interest expense in its consolidated

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financial statements (among other things). Management is reviewing the implications of the proposed ASU for the System, including potential implications for many complex agreements and arrangements which might be impacted by this potential major accounting change. While that work is ongoing, management continues to evaluate the material issues associated with important related matters, such as overall System credit ratings or future debt covenant compliance.

(19) Community Benefit

The mission of the System is to provide effective, compassionate medical care and to promote healthy lifestyles for the community it serves. Growth in unreimbursed care constitutes both a challenge and an opportunity for the System. It is a challenge to ensure that the necessary personnel and facility infrastructures are in place to meet the demand for all patients, regardless of ability to pay, and it is an opportunity to provide access for needed healthcare services for the uninsured and underinsured patient population.

The System defines community benefit under several headings including: 1) care to underinsured and uninsured patients, 2) meeting charitable needs in its community through volunteer and other efforts by its employees, 3) providing vital healthcare services, many of which operate at a deficit, to meet patient and community needs, and 4) promoting healthy lifestyles and disease prevention to its community.

The cornerstone of the System's overall community benefit is its commitment to provide needed access to all patients regardless of their ability to pay or their insurance coverage. This has been possible through the commitment to allow for access to high-quality healthcare services for the most vulnerable citizens.

The System provides care, without charge or at discounted rates, to uninsured patients who meet certain criteria under its charity care policy. Key elements used to determine eligibility include a demonstrated inability to pay based on family size and household income relative to the Federal income poverty guidelines. Mississippi's Medicaid program, while providing healthcare coverage for many of the poor, disabled, and elderly residents, does not include all who are unable to pay for healthcare. Also, Medicaid, by design, reimburses healthcare providers at less than actual cost and has not kept pace in recent years with the industry's rapidly rising cost of technology and utilization. In many cases, the only access for the financially indigent in the community to certain outpatient care is through the System. The System serves uninsured patients who are eligible for Medicaid, and other governmental funding.

The System and its employees provide benefit to the community by becoming actively involved in, or contributing to, various organizations that seek to improve the overall health and well being of its citizens. System employees have actively donated hundreds of dollars and volunteer hours to charitable organizations such as the United Way, schools, churches, and many other community serving entities. They have been very generous with their contributions and with their time in sponsoring community programs.

The System and its employees are committed to, and well invested in, the communities it serves.

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(20) Subsequent Events

In March 2012, the System entered into a \$4 million 60 day loan with a commercial lender. This loan was repaid in full in May 2012 with funds from a revolving loan and security agreement.

In May 2012, the System entered into a revolving loan and security agreement with a third party lender that is collateralized by the System's accounts receivables. The agreement consists of a revolving commitment of \$25 million with a borrowing limit equal to the lesser of \$25 million and the Borrowing Base. The Borrowing Base is equal to the result of the Adjusted Expected net Value of Eligible Receivables as defined in the agreement multiplied by the Advance Rate Percentage of 85%. As of May 31, 2012, the System's Borrowing Base was valued at \$12 million, of which approximately \$8 million was utilized to payoff the \$3 million line of credit, the \$4 million 60 day, legal fees and lending fees.

On May 31, 2012, the System obtained a waiver on the note payable associated with the NMTC program that allows the System to provide the audited financial statements to the Lenders as soon as they are finalized.

The System has evaluated subsequent events from the combined balance sheet date through July 23, 2012, the date at which the combined financial statements were available to be issued, and determined there are no other items to disclose.