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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

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

C Name of organization
PARKVIEW HEALTH SYSTEM INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
10501 CORPORATE DRIVE

City or town, state or country, and ZIP + 4
FORT WAYNE, IN 46845

D Employer identification number
35-1972384

E Telephone number
(260) 373-8407

G Gross receipts $ 869,354,006

F Name and address of principal officer
MICHAEL PACKNETT
10501 CORPORATE DRIVE
FORT WAYNE,IN 46845

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW PARKVIEW COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1995 | **M** State of legal domicile IN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PARKVIEW HEALTH SYSTEM, INC WILL PROVIDE QUALITY HEALTH SERVICES TO ALL WHO ENTRUST THEIR CARE TO US AND WE WILL WORK TO IMPROVE THE HEALTH OF OUR COMMUNITIES

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**	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	2,434
6	Total number of volunteers (estimate if necessary)	**6**	6
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,988,450
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-86,247

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	36,881	115,235
9	Program service revenue (Part VIII, line 2g)	250,801,671	280,644,128
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	16,042,418	10,709,491
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-34,586	-1,366,097
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	266,846,384	290,102,757
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,280,134	1,392,161
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)	156,056,725	209,821,417
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	115,470,282	114,306,580
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	272,807,141	325,520,158
19	Revenue less expenses Subtract line 18 from line 12	-5,960,757	-35,417,401

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	1,163,484,562	1,179,955,138
21	Total liabilities (Part X, line 26)	792,370,514	828,533,839
22	Net assets or fund balances Subtract line 21 from line 20	371,114,048	351,421,299

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date: 2012-11-08

▶ MICHAEL P BROWNING PH SVP & CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ KENNETH J KEBER	Date	Check if self-employed ▶ ☐	Preparer's taxpayer identification number (see instructions) P00240883
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ CROWE HORWATH LLP 330 E JEFFERSON BLVD P O BOX 7 SOUTH BEND, IN 466240007			EIN ▶ 35-0921680 Phone no ▶ (574) 232-3992

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

PARKVIEW HEALTH SYSTEM, INC WILL PROVIDE QUALITY HEALTH SERVICES TO ALL WHO ENTRUST THEIR CARE TO US AND WE WILL WORK TO IMPROVE THE HEALTH OF OUR COMMUNITIES

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 organization's program service accomplishments for each of its three largest program services, as measured 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 $ 313,924,393 including grants of $ 1,392,161) (Revenue $ 278,623,990)

PARKVIEW HEALTH SYSTEM, INC SUPPORTS THE FOLLOWING HOSPITALS PARKVIEW HOSPITAL, INC , HUNTINGTON MEMORIAL HOSPITAL, INC , COMMUNITY HOSPITAL OF LAGRANGE COUNTY, INC , COMMUNITY HOSPITAL OF NOBLE COUNTY, INC , AND WHITLEY MEMORIAL HOSPITAL, INC IMPROVING THE HEALTH OF THE COMMUNITY IS A FUNDAMENTAL PART OF PARKVIEW HEALTH SYSTEM, INC 'S MISSION AS A NOT-FOR-PROFIT, COMMUNITY-BASED ORGANIZATION, PARKVIEW HEALTH SYSTEM, INC REINVESTS ITS FUNDS AND OTHER RESOURCES IN COMMUNITY SERVICES AND HOSPITAL PROGRAMS DESIGNED TO IMPROVE THE HEALTH AND WELL BEING OF RESIDENTS IN THE AREAS WHERE PARKVIEW HEALTH SYSTEM, INC HOSPITALS ARE LOCATED TO GUIDE US IN THIS ENDEAVOR, PARKVIEW HEALTH SYSTEM, INC ROUTINELY SPONSORS A COMMUNITY HEALTH NEEDS ASSESSMENT IN ADDITION, PARKVIEW HEALTH SYSTEM, INC REVIEWS TREND AND TREATMENT ANALYSIS DATA ON AN ONGOING BASIS DATA OBTAINED FROM THESE STUDIES IS USED IN PARKVIEW HEALTH SYSTEM, INC 'S STRATEGIC PLANNING PROCESS TO IDENTIFY AND SET PRIORITIES FOR CRITICAL HEALTH INITIATIVES IN THE COMMUNITIES PARKVIEW HEALTH SYSTEM, INC SERVES PARKVIEW HEALTH SYSTEM, INC EMPLOYS 227 PRIMARY AND SPECIALTY CARE PHYSICIANS AS PART OF THE PARKVIEW PHYSICIANS' GROUP THESE PHYSICIANS, ALONG WITH 49 NON-PHYSICIAN PROVIDERS, PROVIDE CARE TO RESIDENTS THROUGHOUT NORTHEAST INDIANA AND NORTHWEST OHIO REGARDLESS OF THEIR ABILITY TO PAY FOR THOSE SERVICES PARKVIEW HEALTH EMPLOYS ONE FULL TIME PHYSICIAN RECRUITER WHOSE TIME IS DEVOTED SOLELY TO RECRUITING PHYSICIANS ALL PHYSICIAN RECRUITMENT ACTIVITY IS BASED ON A PHYSICIAN NEEDS ASSESSMENT AND THE OVERSIGHT OF THE COMPLIANCE COMMITTEE OF THE BOARD OF DIRECTORS TO ENSURE THAT WE FOLLOW THE GUIDELINES SET FORTH BY THE FEDERAL GOVERNMENT ON AVERAGE, 40 NEW PHYSICIANS ARE RECRUITED EACH YEAR PARKVIEW HEALTH SYSTEM, INC PROVIDES SIGNIFICANT FUNDING TO LOCAL UNIVERSITIES TO PROMOTE AND SUPPORT THEIR NURSING PROGRAMS FOR THE EDUCATION AND DEVELOPMENT OF TALENTED STUDENTS FOR THE NURSING PROFESSION PARKVIEW HEALTH SYSTEM, INC HAS PARTNERSHIPS WITH THE NURSING DEPARTMENTS AT INDIANA UNIVERSITY PURDUE UNIVERSITY FORT WAYNE AND THE UNIVERSITY OF SAINT FRANCIS TO PROVIDE FINANCIAL ASSISTANCE FOR SCHOLARSHIPS AND OPERATIONAL, CAPITAL, AND MARKETING SUPPORT IN ADDITION, PARKVIEW HEALTH SYSTEM, INC IS A SIGNIFICANT CONTRIBUTOR TO THE NORTHEAST INDIANA ECONOMIC DEVELOPMENT COUNCIL TO PROMOTE THE ECONOMIC VITALITY OF THIS AREA PARKVIEW HEALTH SYSTEM, INC HAS PLAYED A KEY ROLE IN THE REGION'S VISION 20/20 INITIATIVE GEARED TOWARD THE DEVELOPMENT OF STRATEGIES IMPERATIVE TO THE REGION'S FUTURE ECONOMIC GROWTH AND VITALITY

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** ▶ $ 313,924,393

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	273		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	2,434			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**	Yes	
b	If "Yes," enter the name of the foreign country ▶ DA , IT , NO , SW , SZ , BR , GR , HU , ID , MY , PL , PO , SF See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
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**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		No
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.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate 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 aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	16		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made 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 made its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

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

MICHAEL P BROWNING
10501 CORPORATE DRIVE
FORT WAYNE,IN 46845
(260) 373-8407

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								8,348,245	434,187	1,082,721

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 273

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
ERNST & YOUNG US LLP P O BOX 96550 CHICAGO, IL 60693	CPA FIRM	342,748
BEERS MALLERS BACK & SALIN LLP 110 W BERRY STREET STE 1100 FORT WAYNE, IN 46802	ATTORNEYS	334,140
TM TRANSCRIPTION SERVICE 3377 S 250 W ALBION, IN 46701	TRANSCRIPTION	326,551
GALILEO MANAGEMENT SERVICES LLC 5025 LITCHFIELD ROAD FORT WAYNE, IN 46835	CONSULTANTS	300,000
CROWE HORWATH LLP P O BOX 145415 CINCINNATI, OH 45250	CPA FIRM	263,453

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 19

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 115,235				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total.** Add lines 1a-1f . . . . . ▶	115,235			
Program Service Revenue		Business Code				
	2a	NET PATIENT SERVICE	621110	111,432,725	111,432,725	
	b	CORP SER ALLOCATION	561000	102,354,000	102,354,000	
	c	PH SUBSIDY	561499	35,530,600	35,530,600	
	d	ORTHOPAEDIC HOSPITAL A	621110	12,123,138	12,123,138	
	e	INTERUNIT RENT	532000	6,224,094	6,224,094	
	f	All other program service revenue		12,979,571	10,748,489	2,231,082
	g	**Total.** Add lines 2a–2f . . . . . ▶		280,644,128		
	3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶		6,322,567		6,322,567
	4	Income from investment of tax-exempt bond proceeds . . ▶		303,149		303,149
	5	Royalties . . . . . ▶				
		(i) Real / (ii) Personal				
	6a	Gross rents 2,205,542				
	b	Less rental expenses 4,435,667				
	c	Rental income or (loss) -2,230,125				
	d	Net rental income or (loss) . . . . . ▶	-2,230,125		-242,632	-1,987,493
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory 578,899,357				
	b	Less cost or other basis and sales expenses 574,347,511 / 468,071				
	c	Gain or (loss) 4,551,846 / -468,071				
	d	Net gain or (loss) . . . . . ▶	4,083,775			4,083,775
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from fundraising events . . ▶				
	9a	Gross income from gaming activities See Part IV, line 19 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from gaming activities . . ▶				
	10a	Gross sales of inventory, less returns and allowances . a				
	b	Less cost of goods sold . . b				
	c	Net income or (loss) from sales of inventory . . ▶				
		Miscellaneous Revenue	Business Code			
	11a	CAFETERIA REVENUE	722100	653,084		653,084
	b	MISCELLANEOUS	900099	210,944	210,944	
	c					
	d	All other revenue				
	e	**Total.** Add lines 11a–11d . . . . . ▶		864,028		
	12	**Total revenue.** See Instructions . . . ▶		290,102,757	278,623,990	1,988,450	9,375,082

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)

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

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 United States See Part IV, line 21	1,392,161	1,392,161		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	5,111,261		5,111,261	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	165,054,484	165,054,484		
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits	16,748,601	16,748,601		
10	Payroll taxes	22,907,071	22,907,071		
11	Fees for services (non-employees)				
a	Management				
b	Legal	942,389	942,389		
c	Accounting	800,000	800,000		
d	Lobbying	72,000	72,000		
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees	1,072,443	1,072,443		
g	Other	16,483,872	11,615,819	4,868,053	
12	Advertising and promotion	2,796,829	2,795,562	1,267	
13	Office expenses	8,709,637	8,128,091	581,546	
14	Information technology	22,743,564	22,743,564		
15	Royalties . .				
16	Occupancy	10,155,786	10,131,220	24,566	
17	Travel	856,059	689,568	166,491	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	815,643	729,231	86,412	
20	Interest	10,693,091	10,693,091		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	18,366,575	18,202,263	164,312	
23	Insurance	2,561,425	2,385,572	175,853	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBT	7,095,997	7,095,997		
b	MEDICAL SUPPLIES	5,800,379	5,800,379		
c	PHYSICIAN RECRUITMENT	785,756	785,756		
d	UBI TAXES & REFUNDS	-303,966	-303,966		
e					
f	All other expenses	3,859,101	3,443,097	416,004	
25	**Total functional expenses.** Add lines 1 through 24f	325,520,158	313,924,393	11,595,765	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		21,381	1	23,508
	2	Savings and temporary cash investments		52,978,116	2	16,833,579
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		16,282,925	4	19,503,014
	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)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		10,857,261	7	12,758,705
	8	Inventories for sale or use		306,862	8	1,832,224
	9	Prepaid expenses and deferred charges		10,086,500	9	10,431,936
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 899,624,157			
	b	Less accumulated depreciation	10b 166,899,541	511,599,773	10c	732,724,616
	11	Investments—publicly traded securities		438,922,625	11	337,456,836
	12	Investments—other securities See Part IV, line 11		110,263,867	12	31,667,444
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		8,762,222	14	12,917,337
	15	Other assets See Part IV, line 11		3,403,030	15	3,805,939
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,163,484,562	16	1,179,955,138
Liabilities	17	Accounts payable and accrued expenses		67,707,293	17	88,546,682
	18	Grants payable			18	
	19	Deferred revenue		173,103	19	146,512
	20	Tax-exempt bond liabilities		565,576,364	20	569,215,990
	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		16,560,649	23	15,137,891
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		142,353,105	25	155,486,764
	26	**Total liabilities.** Add lines 17 through 25		792,370,514	26	828,533,839
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		371,114,048	27	351,421,299
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		371,114,048	33	351,421,299
	34	Total liabilities and net assets/fund balances		1,163,484,562	34	1,179,955,138

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	290,102,757
2	Total expenses (must equal Part IX, column (A), line 25)	2	325,520,158
3	Revenue less expenses Subtract line 2 from line 1	3	-35,417,401
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	371,114,048
5	Other changes in net assets or fund balances (explain in Schedule O)	5	15,724,652
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	351,421,299

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

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 **section 170(b)(1)(A)(i).**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
(A) PARKVIEW HOSPITAL INC	350868085	3	Yes		Yes		Yes		79,134,000
(B) HUNTINGTON MEMORIAL HOSPITAL INC	351970706	3	Yes		Yes		Yes		6,411,000
(C) WHITLEY MEMORIAL HOSPITAL INC	351967665	3	Yes		Yes		Yes		5,478,000
(D) COMMUNITY HOSPITAL OF NOBLE COUNTY INC	352089183	3	Yes		Yes		Yes		6,625,000
(E) COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	202401676	3	Yes		Yes		Yes		4,432,000
Total									102,080,000

Part II **Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b **33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

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

Part III **Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation 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).

Facts And Circumstances Test

Explanation

Additional Data

Software ID:
Software Version:
EIN: 35-1972384
Name: PARKVIEW HEALTH SYSTEM INC

Form 990, Special Condition Description:

Special Condition Description

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL PACKNETT DIRECTOR/PH CEO	40 00	X		X				647,552	0	166,370
RAYMOND DUSMAN DIRECTOR/VICE CHAIR/PH PHY	40 00	X						644,129	0	45,775
DUANE HOUGENDOBLER DIRECTOR/PH PHYSICIAN	40 00	X						594,875	0	50,792
MITCHELL STUCKY DIRECTOR/PH PHYSICIAN	34 00	X						247,131	54,433	58,855
MICHAEL AXEL DIRECTOR	1 00	X						2,250	6,750	0
RICHARD BAKER DIRECTOR	1 00	X						3,000	6,750	0
THOMAS BEAVER DIRECTOR	1 00	X						2,500	6,500	0
JANET CHRZAN DIRECTOR/SECRETARY	1 00	X						9,750	0	0
BRIAN EMERICK DIRECTOR	1 00	X						3,000	6,750	0
DAVID HAIST DIRECTOR	1 00	X						1,750	3,500	0
MICHAEL LEE DIRECTOR	1 00	X						5,500	0	0
JOHN PRICE DIRECTOR	1 00	X						3,250	6,500	0
LARRY ROWLAND DIRECTOR	1 00	X						5,250	0	0
CHARLES SCHRIMPER DIRECTOR/CHAIR	1 00	X						10,000	0	0
WIL SMITH DIRECTOR/TREASURER	1 00	X						3,500	4,750	0
THOMAS WALSH DIRECTOR	1 00	X						9,250	0	0
MICHAEL BROWNING PH SVP & CFO	40 00			X				399,631	0	66,886
JEFFREY BROOKES PH MEDICAL DIR - COMMUNITY HOSPITALS	1 00				X			33,347	262,110	56,499
CATHERINE WILCOX PH SVP	40 00				X			280,992	0	61,340
JAMES STAPEL PH MEDICAL DIR - PPG	40 00				X			280,332	0	72,889
RONALD DOUBLE PH CIO	40 00				X			262,832	0	62,177
DEBRA WILLIAMS PH SVP	40 00				X			261,234	0	49,546
RICK HENVEY PH COO - COMMUNITY HOSPITALS	40 00				X			252,401	0	51,537
JAMES WITMER PH SVP	40 00				X			209,835	0	47,892
JILL OSTREM PH SVP	40 00				X			170,949	0	26,585

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
RAMESH BHAT PH PHYSICIAN	40 00					X		750,026	66,596	38,696
SAILAJA BLACKMON PH PHYSICIAN	40 00					X		743,611	0	42,816
DAVID SCHLEINKOFER PH PHYSICIAN	40 00					X		670,661	0	46,316
DAVID CLARK PH PHYSICIAN	40 00					X		667,030	0	31,346
JOHN DRAKE PH PHYSICIAN	40 00					X		653,960	9,548	42,616
MARK NAFZIGER FORMER OFFICER	0 00						X	211,886	0	816
STANTON RISSER FORMER OFFICER CURRENT PH EMPLOYEE	40 00						X	109,511	0	22,752
JAMES HAUGUEL FORMER KEY EMPLOYEE CURRENT PH EMP	40 00						X	197,320	0	40,220

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
PARKVIEW HEALTH SYSTEM INC	35-1972384

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

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV

2 Political expenditures ▶ $

3 Volunteer hours

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		72,000
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			72,000
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or 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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	20,415,248	24,788,944		45,204,192
b Buildings		150,161,128	41,105,473	109,055,655
c Leasehold improvements		7,495,561	2,005,522	5,490,039
d Equipment		220,176,696	118,520,783	101,655,913
e Other		476,586,580	5,267,763	471,318,817
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				732,724,616

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

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

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
DUE TO/FROM INTERUNIT	77,813,708
ACC RETIREMENTS COST	68,563,174
RESERVE FOR SIGNATURE CARE	4,146,728
RESERVE FOR MALPRACTICE	4,958,779
PROPERTY SECURITY DEPOSITS	4,375
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	155,486,764

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

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

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

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

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

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

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
EUROPE (INCLUDING ICELAND & GREENLAND) -	0	0	INVESTMENTS		2,411,043
3a Sub-total	0	0			2,411,043
b Total from continuation sheets to Part I	0	0			0
c **Totals** (add lines 3a and 3b)	0	0			2,411,043

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

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

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

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

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

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

Part IV Foreign Forms

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

Part V Supplemental Information

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

Identifier	ReturnReference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493313014842

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

Part I Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from Worksheet 1)			133,518		133,518	0 040 %
b Medicaid (from Worksheet 3, column a)			1,434,585	539,715	894,870	0 280 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			699,430	642,811	56,619	0 020 %
d **Total** Charity Care and Means-Tested Government Programs			2,267,533	1,182,526	1,085,007	0 340 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			481,862	51,139	430,723	0 140 %
f Health professions education (from Worksheet 5)			629,168		629,168	0 200 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			420,965		420,965	0 130 %
j **Total** Other Benefits			1,531,995	51,139	1,480,856	0 470 %
k **Total.** Add lines 7d and 7j			3,799,528	1,233,665	2,565,863	0 810 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(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			2,621,674		2,621,674	0 820 %
2 Economic development			350,000		350,000	0 110 %
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			789,182		789,182	0 250 %
9 Other						
10 **Total**			3,760,856		3,760,856	1 180 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense	2	7,398,271		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	19,318		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	5,221,997
6	Enter Medicare allowable costs of care relating to payments on line 5	6	7,695,549
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-2,473,552
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes		
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	Yes		

Part IV Management Companies and Joint Ventures (see instructions)

	(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	1 IMAGING SERVICES HOLDING COMPANY LLC	HOLDING COMPANY	50 000 %		50 000 %
2	2 ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH LLC	ORTHOPAEDIC HOSPITAL	60 000 %		40 000 %
3	3 PREMIER SURGERY CENTER LLC	SURGERY CENTER	50 000 %		50 000 %
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH 11119 PARKVIEW PLAZA DRIVE FORT WAYNE, IN 46845	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)

ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH

Name of Hospital Facility: _____

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 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those 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 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 ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in 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 CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

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

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments or arrests			
	e ☐ Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☐ Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
	a ☐ Notified patients of the financial assistance policy upon admission			
	b ☐ Notified patients of the financial assistance policy prior to discharge			
	c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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

How many non-hospital facilities did the organization operate during the tax year? **71**

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

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the 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, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
		PART I, LINE 3C ELIGIBILITY CRITERIA FOR FREE OR DISCOUNTED CAREPARKVIEW HEALTH SYSTEM, INC PROVIDES DISCOUNTED CARE TO UNINSURED PATIENTS REGARDLESS OF THEIR ABILITY TO PAY IF THE PATIENT ULTIMATELY QUALIFIES FOR CHARITY CARE USING THE 200% FPG, THE REMAINING BALANCE AFTER THE DISCOUNT IS WRITTEN OFF TO CHARITY

Identifier	ReturnReference	Explanation
		PART I, LINE 7 PART I, LINE 7APARKVIEW HEALTH SYSTEM, INC IS COMMITTED TO PROVIDING CHARITY CARE TO PATIENTS UNABLE TO MEET THEIR FINANCIAL OBLIGATIONS IT IS FURTHERMORE THE POLICY OF PARKVIEW HEALTH SYSTEM, INC NOT TO WITHHOLD OR DENY ANY REQUIRED MEDICAL CARE AS A RESULT OF A PATIENT'S FINANCIAL INABILITY TO PAY HIS/HER MEDICAL EXPENSES THE CHARITY CARE COST REPORTED ON LINE 7A IS CALCULATED UNDER THE COST TO CHARGE RATIO METHODOLOGY UNDER THIS METHOD, THE CHARITY CARE CHARGES FOREGONE ARE MULTIPLIED BY THE RATIO OF COST TO CHARGES TO DETERMINE THE COST OF SERVICES RENDERED PART I, LINE 7BPARKVIEW HEALTH SYSTEM, INC ACCEPTS ALL MEDICAID, MEDICAID MANAGED CARE, AND OUT-OF-STATE MEDICAID PATIENTS WITH THE KNOWLEDGE THAT THERE MAY BE SHORTFALLS INTERNAL REVENUE SERVICE (IRS) REVENUE RULING 69-545 IMPLIES THAT TREATING MEDICAID PATIENTS IS A COMMUNITY BENEFIT IRS REVENUE RULING 69-545, WHICH ESTABLISHED THE COMMUNITY BENEFIT STANDARD FOR NONPROFIT HOSPITALS, STATES THAT IF A HOSPITAL SERVES PATIENTS WITH GOVERNMENTAL HEALTH BENEFITS, INCLUDING MEDICAID, THEN THIS IS AN INDICATION THAT THE HOSPITAL OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY THE UNREIMBURSED MEDICAID COST REPORTED ON LINE 7B IS CALCULATED UNDER THE COST TO CHARGE RATIO METHODOLOGY UNDER THIS METHOD, THE MEDICAID CHARGES ARE MULTIPLIED BY THE RATIO OF COST TO CHARGES TO DETERMINE THE COST OF MEDICAID SERVICES RENDERED THEN, THE COST OF MEDICAID SERVICES RENDERED IS DEDUCTED FROM THE REIMBURSEMENT RECEIVED FOR MEDICAID PATIENTS TO ARRIVE AT A GAIN/(LOSS) RELATIVE TO THESE PATIENTS PART I, LINE 7CPARKVIEW HEALTH SYSTEM, INC ACCEPTS ALL CERTAIN MEANS-TESTED PATIENTS FROM THE HEALTHY INDIANA PLAN (HIP) WITH THE KNOWLEDGE THAT THERE MAY BE SHORTFALLS INTERNAL REVENUE SERVICE (IRS) REVENUE RULING 69-545 IMPLIES THAT TREATING MEANS-TESTED PATIENTS IS A COMMUNITY BENEFIT IRS REVENUE RULING 69-545, WHICH ESTABLISHED THE COMMUNITY BENEFIT STANDARD FOR NONPROFIT HOSPITALS, STATES THAT IF A HOSPITAL SERVES PATIENTS WITH GOVERNMENTAL HEALTH BENEFITS, INCLUDING HIP, THEN THIS IS AN INDICATION THAT THE HOSPITAL OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY THE UNREIMBURSED HIP COST REPORTED ON LINE 7C IS CALCULATED UNDER THE COST TO CHARGE RATIO METHODOLOGY UNDER THIS METHOD, THE HIP CHARGES ARE MULTIPLIED BY THE RATIO OF COST TO CHARGES TO DETERMINE THE COST OF HIP SERVICES RENDERED THEN, THE COST OF HIP SERVICES RENDERED IS DEDUCTED FROM THE REIMBURSEMENT RECEIVED FOR HIP PATIENTS TO ARRIVE AT A GAIN/(LOSS) RELATIVE TO THESE PATIENTS PART I, LINE 7EAMOUNTS PRESENTED ARE BASED ON ACTUAL SPEND FOR THOSE SERVICES AND BENEFITS PROVIDED DEEMED TO IMPROVE THE HEALTH OF THE COMMUNITIES IN WHICH WE SERVE AND CONFORM WITH THE MISSION OF OUR EXEMPT PURPOSE PART I, LINE 7FAMOUNTS PRESENTED ARE BASED UPON ACTUAL SPEND AND ARE IN CONFORMITY WITH AGREED UPON COMMITMENTS WITH THE VARIOUS EDUCATIONAL PROGRAMS PART I, LINE 7IIN KEEPING WITH OUR MISSION AND COMMITMENT TO THE COMMUNITIES IN WHICH WE SERVE, PARKVIEW HEALTH SYSTEM, INC CONTINUES ITS TRADITION OF CONTRIBUTING TO NUMEROUS ORGANIZATIONS ON BOTH AN AS-NEEDED BASIS AND NEGOTIATED BASIS AMOUNTS PRESENTED REPRESENT ACTUAL SPEND TO ORGANIZATIONS THROUGHOUT OUR COMMUNITIES

Identifier	ReturnReference	Explanation
		PART I, LINE 7G SUBSIDIZED HEALTH SERVICES PARKVIEW HEALTH SYSTEM, INC INCLUDED NO COSTS ATTRIBUTABLE TO A PHYSICIAN CLINIC AS SUBSIDIZED HEALTH SERVICES

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) PERCENT OF TOTAL EXPENSESPARKVIEW HEALTH SYSTEM, INC EXCLUDED $7,095,997 OF BAD DEBT EXPENSE

Identifier	ReturnReference	Explanation
		PART II DESCRIBE HOW THE ORGANIZATION'S COMMUNITY BUILDING ACTIVITIES, AS REPORTED, PROMOTE THE HEALTH OF THE COMMUNITIES THE ORGANIZATION SERVES PARKVIEW HEALTH SYSTEM, INC HAS A STRONG COMMITMENT TO THE VITALITY OF THE LOCAL COMMUNITY AND TO THE NORTHEAST INDIANA REGION AND INVESTS IN ENHANCING VARIOUS ASPECTS OF THE COMMUNITY THAT CONTRIBUTE TO IMPROVED HEALTH OF THE COMMUNITY PHYSICAL IMPROVEMENTS THE PARKVIEW NORTH FAMILY PARK IS A RECREATIONAL PARK AREA OPEN TO THE PUBLIC AND LOCATED ON THE NORTH CAMPUS, WHICH IS THE HOME OF THE NEW PARKVIEW REGIONAL MEDICAL CENTER (OPENED IN MARCH, 2012) PARKVIEW HEALTH SYSTEM, INC MAKES THE PARK AVAILABLE TO THE GENERAL PUBLIC AND MAINTAINS THE PROPERTY TO ENHANCE THE COMMUNITY AND PROMOTE PHYSICAL ACTIVITY THE DIEBOLD ROAD PROJECT WAS UNDERTAKEN TO IMPROVE THE INFRASTRUCTURE SURROUNDING THE NEW PARKVIEW REGIONAL MEDICAL CENTER A PORTION OF THE SYSTEM'S EXPENSES WERE REPORTED AS COMMUNITY BENEFIT THESE EXPENSES WOULD OTHERWISE BE THE RESPONSIBILITLY OF CITY AND/OR COUNTY GOVERNMENT ECONOMIC DEVELOPMENT PARKVIEW HEALTH SYSTEM, INC FOSTERS ECONOMIC DEVELOPMENT IN SEVERAL WAYS PARKVIEW HEALTH SYSTEM, INC HAS PLAYED A KEY ROLE IN THE NORTHEAST INDIANA REGIONAL MARKETING PARTNERSHIP'S NEI=ROI CAMPAIGN TO MARKET NORTHEAST INDIANA ON A GLOBAL BASIS PARKVIEW HEALTH SYSTEM, INC MADE A MULTI-YEAR PLEDGE TO THE CAMPAIGN AND ISSUED AN ANNUAL CHALLENGE FOR MATCHING FUNDS FROM AREA BUSINESSES THE VISION 20/20 INITIATIVE (DISCUSSED IN LINE 4), DESIGNED TO ENGAGE ALL CITIZENS IN THE DEVELOPMENT OF THE REGION, IS AN EXTENSION OF THE NORTHEAST INDIANA REGIONAL MARKETING PARTNERSHIP EFFORTS VISION 20/20 ANNOUNCED PRIORITIES RELATED TO EDUCATION, BUSINESS CLIMATE, ENTREPRENEURSHIP AND INFRASTRUCTURE FOR THE TEN-COUNTY REGION IN NORTHEAST INDIANA IN ADDITION, PARKVIEW HEALTH SYSTEM, INC CONTINUES TO SUPPORT THE REGIONAL CHAMBER OF NORTHEAST INDIANA MULTI-YEAR SUPPORT IS PROVIDED TO THE FORT WAYNE REDEVELOPMENT COMMISSION FOR A LOCAL BASEBALL STADIUM LOCATED IN DOWNTOWN FORT WAYNE AS PART OF AN EFFORT TO BRING RENEWED ECONOMIC VITALITY TO THE DOWNTOWN AREA AND THEREBY ENHANCING THE COMMUNITY AS A WHOLE THE BASEBALL FIELD IS THE CENTERPIECE OF OTHER SIGNIFICANT PROJECTS TOWARD THE GOAL OF DOWNTOWN REVITALIZATION IN ADDITION, IT SERVES AS A VENUE FOR PROVIDING PREVENTATIVE HEALTH AND SAFETY EDUCATION TO THE COMMUNITY WORKFORCE DEVELOPMENT PARKVIEW HEALTH SYSTEM, INC SUPPORTS PHYSICIAN RECRUITMENT ACTIVITIES TO ASSIST IN TIMELY RESPONSE TO PATIENT CARE NEEDS IN THE COMMUNITY THESE RECRUITMENT ACTIVITIES ARE BASED ON RESULTS OF A PERIODIC PHYSICIAN NEEDS ASSESSMENT PARKVIEW HEALTH SYSTEM, INC DEVELOPS A PHYSICIAN RECRUITMENT PLAN TO ADDRESS POTENTIAL GAPS IN PATIENT COVERAGE IN ADDITION, PARKVIEW HEALTH SYSTEM, INC PROMOTES CAREERS IN HEALTHCARE THROUGH STUDENT JOB SHADOWING OPPORTUNITIES AND INTERNSHIP PROGRAMS IN VARIOUS AREAS THROUGHOUT THE ORGANIZATION

Identifier	ReturnReference	Explanation
		PART III, LINE 4 BAD DEBT EXPENSE - FINANCIAL STATEMENT FOOTNOTETEXT OF THE FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES BAD DEBT EXPENSE THE CORPORATION'S ESTIMATION OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IS BASED PRIMARILY UPON THE TYPE AND AGE OF THE PATIENT ACCOUNTS RECEIVABLE AND THE EFFECTIVENESS OF COLLECTION EFFORTS PH'S POLICY IS TO RESERVE A PORTION OF ALL SELF-PAY RECEIVABLES, INCLUDING AMOUNTS DUE FROM THE UNINSURED AND AMOUNTS RELATED TO CO-PAYMENTS AND DEDUCTIBLES, AS CHARGES ARE RECORDED ACCOUNTS RECEIVABLE BALANCES ARE REVIEWED MONTHLY AS TO THE EFFECTIVENESS OF PH'S RESERVE POLICIES AND VARIOUS ANALYTICS TO SUPPORT THE BASIS FOR ITS ESTIMATES THESE EFFORTS PRIMARILY CONSIST OF REVIEWING THE FOLLOWING HISTORICAL WRITE-OFF AND COLLECTION EXPERIENCE USING A HINDSIGHT, OR LOOK-BACK, APPROACH, REVENUE AND VOLUME TRENDS BY PAYOR, PARTICULARLY THE SELF-PAY COMPONENTS, CHANGES IN THE AGING AND PAYOR MIX OF ACCOUNTS RECEIVABLE, INCLUDING INCREASED FOCUS ON ACCOUNTS DUE FROM THE UNINSURED AND ACCOUNTS THAT REPRESENT CO-PAYMENTS AND DEDUCTIBLES DUE FROM PATIENTS, CASH COLLECTIONS AS A PERCENTAGE OF NET PATIENT REVENUE LESS BAD DEBT EXPENSE, TRENDING OF DAYS REVENUE IN ACCOUNTS RECEIVABLE, AND VARIOUS ALLOWANCE COVERAGE STATISTICS COSTING METHODOLOGY USED UNCOLLECTIBLE PATIENT ACCOUNTS ARE CHARGED AGAINST THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IN ACCORDANCE WITH THE POLICIES OF PARKVIEW HEALTH SYSTEM, INC HOWEVER, DURING THE COLLECTION PROCESS THERE IS A CONTINUOUS EFFORT TO DETERMINE IF THE PATIENT QUALIFIES FOR CHARITY THEREFORE, ONCE AN UNCOLLECTIBLE ACCOUNT HAS BEEN CHARGED OFF AND IT IS DETERMINED THROUGH THE COLLECTION PROCESS THAT THE PATIENT QUALIFIES FOR CHARITY CARE, THE UNCOLLECTIBLE ACCOUNT IS RECLASSIFIED TO CHARITY AND ALL COLLECTION EFFORTS CEASE PATIENTS ARE ELIGIBLE TO APPLY FOR FREE CARE AT ANY TIME, INCLUDING PATIENTS WHOSE ACCOUNTS HAVE BEEN PLACED IN A BAD DEBT AGENCY THE AMOUNT REFLECTED ON LINE 3 WAS CALCULATED BY TOTALING THE ACCOUNTS PREVIOUSLY WRITTEN OFF TO BAD DEBT AND PLACED WITH A COLLECTION AGENCY, BUT SUBSEQUENTLY RECLASSIFIED AS FREE CARE DURING THE 2011 CALENDAR YEAR THE ACCOUNTS WERE RECLASSIFIED AS FREE CARE DUE TO THE FACT THAT PATIENTS APPLIED FOR, AND WERE APPROVED FOR, FREE CARE AFTER THE ACCOUNTS WERE PLACED WITH A BAD DEBT AGENCY PARKVIEW HEALTH SYSTEM, INC PROVIDES HEALTH CARE SERVICES THROUGH VARIOUS PROGRAMS THAT ARE DESIGNED, AMONG OTHER THINGS, TO ENHANCE THE HEALTH OF THE COMMUNITY AND IMPROVE THE HEALTH OF AT-RISK POPULATIONS IN ADDITION, PARKVIEW HEALTH SYSTEM, INC PROVIDES SERVICES INTENDED TO BENEFIT THE POOR AND UNDERSERVED, INCLUDING THOSE PERSONS WHO CANNOT AFFORD HEALTH INSURANCE DUE TO INADEQUATE RESOURCES OR WHO ARE UNINSURED OR UNDERINSURED

Identifier	ReturnReference	Explanation
		PART III, LINE 8 COMMUNITY BENEFIT & METHODOLOGY FOR DETERMINING MEDICARE COSTSSUBSTANTIAL SHORTFALLS TYPICALLY ARISE FROM PAYMENTS THAT ARE LESS THAN THE COST TO PROVIDE THE CARE OR SERVICES AND DO NOT INCLUDE ANY AMOUNTS RELATING TO INEFFICIENT OR POOR MANAGEMENT PARKVIEW HEALTH SYSTEM, INC ACCEPTS ALL MEDICARE PATIENTS, AS REFLECTED ON THE YEAR-END MEDICARE COST REPORT, WITH THE KNOWLEDGE THAT THERE MAY BE SHORTFALLS INTERNAL REVENUE SERVICE (IRS) REVENUE RULING 69-545 IMPLIES THAT TREATING MEDICARE PATIENTS IS A COMMUNITY BENEFIT IRS REVENUE RULING 69-545, WHICH ESTABLISHED THE COMMUNITY BENEFIT STANDARD FOR NONPROFIT HOSPITALS, STATES THAT IF A HOSPITAL SERVES PATIENTS WITH GOVERNMENTAL HEALTH BENEFITS, INCLUDING MEDICARE, THEN THIS IS AN INDICATION THAT THE HOSPITAL OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY HOWEVER, MEDICARE PAYMENTS REPRESENT A PROXY OF COST CALLED THE "UPPER PAYMENT LIMIT " IT HAS HISTORICALLY BEEN ASSUMED THAT UPPER PAYMENT LIMIT PAYMENTS DO NOT GENERATE A SHORTFALL AS A RESULT, PARKVIEW HEALTH SYSTEM, INC HAS TAKEN THE POSITION NOT TO INCLUDE THE MEDICARE SHORTFALLS OR SURPLUSES AS PART OF COMMUNITY BENEFIT PARKVIEW HEALTH SYSTEM, INC RECOGNIZES THAT THE SHORTFALL OR SUPLUS FROM MEDICARE DOES NOT INCLUDE THE COSTS AND REVENUES ASSOCIATED WITH MEDICARE ADVANTAGE PATIENTS AS SUCH, THE TOTAL SHORTFALL OR SURPLUS OF MEDICARE IS UNDERSTATED DUE TO THE COSTS AND REVENUES ASSOCIATED WITH MEDICARE ADVANTAGE PATIENTS NOT BEING INCLUDED IN THE COMMUNITY BENEFIT DETERMINATION

Identifier	ReturnReference	Explanation
		PART III, LINE 9B COLLECTION PRACTICES FOR PATIENTS ELIGIBLE FOR CHARITY CARETHE LAST PARAGRAPH OF THE PAYMENT POLICY STATES "FINANCIAL ASSISTANCE MAY BE AVAILABLE FOR THOSE PATIENTS WHO CANNOT PAY THEIR BILL THOSE OPTIONS ARE WELFARE ASSISTANCE OR FREE CARE THROUGH THE HOSPITAL CHARITY PROGRAM (SEE CHARITY CARE POLICY) PATIENTS WILL BE INSTRUCTED TO CONTACT A COUNSELOR TO DISCUSS THE AVAILABLE OPTIONS "ADDITIONALLY, THERE IS AN ONGOING EFFORT THROUGHOUT THE COLLECTION PROCESS TO SCREEN FOR MEDICAID ELIGIBILITY AND THE NEED FOR PROVIDING CHARITY CARE APPLICATIONS TO PATIENTS IF A PATIENT MAY BE ELIGIBLE FOR MEDICAID, THE HOSPITAL PROVIDES A SERVICE TO OUR PATIENTS THAT HELPS THEM APPLY FOR MEDICAID WITH THE STATE IN WHICH THEY RESIDE IF A PATIENT IS APPROVED FOR CHARITY CARE, THEIR ACCOUNT IS WRITTEN OFF AND COLLECTION EFFORTS CEASE

Identifier	ReturnReference	Explanation
ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH,		PART V, SECTION B, LINE 10 ELIGIBILITY CRITERIA FOR FREE OR DISCOUNTED CAREORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH, LLC PROVIDES DISCOUNTED CARE TO UNINSURED PATIENTS REGARDLESS OF THEIR ABILITY TO PAY IF THE PATIENT ULTIMATELY QUALIFIES FOR CHARITY CARE USING THE 200% FPG, THE REMAINING BALANCE AFTER THE DISCOUNT IS WRITTEN OFF TO CHARITY

Identifier	ReturnReference	Explanation
ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH,		PART V, SECTION B, LINE 19D FULL WRITEOFFS ARE PROVIDED TO PATIENTS WHOSE INCOME FALLS UNDER 200% OF THE FPG ON CHARITY CARE PATIENTS WITH RESIDUAL SELF-PAY BALANCES AFTER INSURANCE PROCESSED AND PAID OR DENIED THEIR CLAIM, 100% OF THE REMAINING ACCOUNT BALANCE AFTER INSURANCE PAYMENTS AND CONTRACTUAL ADJUSTMENTS IS WRITTEN OFF TO CHARITY CARE

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 DESCRIBE HOW THE ORGANIZATION ASSESSES THE HEALTH CARE NEEDS OF THE COMMUNITIES IT SERVES PARKVIEW HEALTH SYSTEM, INC , ALONG WITH ITS SYSTEM HOSPITALS AND IN CONJUNCTION WITH THE ALLEN COUNTY - FORT WAYNE HEALTH DEPARTMENT, IS CURRENTLY CONDUCTING A COMMUNITY HEALTH NEEDS ASSESSMENT FOR THE FIVE COUNTY SERVICE AREA IN WHICH PARKVIEW HOSPITALS RESIDE IN ADDITION, PARKVIEW HEALTH SYSTEM, INC HAS PARTNERED WITH THE TECHNICAL ASSISTANCE PROGRAM OF PURDUE UNIVERSITY AND THE SOCIAL RESEARCH DEPARTMENT OF INDIANA UNIVERSITY - PURDUE UNIVERSITY OF FORT WAYNE (IPFW) TO COMPLETE MUCH OF THE FIELD WORK IPFW IS CONDUCTING THE COMMUNITY SURVEY AND PROVIDING DATA ANALYSIS AND INCORPORATING SECONDARY DATA INTO THE ASSESSMENT PURDUE UNIVERSITY IS ASSISTING WITH THE PUBLIC HEALTH AND OTHER HEALTH CARE PROFESSIONALS SURVEY PARKVIEW HEALTH SYSTEM, INC PLANS TO COMPLETE THE COMMUNITY HEALTH NEEDS ASSESSMENT AND THE DEVELOPMENT AND ADOPTION OF AN IMPLEMENTATION STRATEGY DURING 2013 THE INFORMATION FROM THIS SURVEY WILL BE A VALUABLE TOOL AS WE SEEK AND PRIORITIZE OPPORTUNITIES TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE AND IDENTIFY OPPORTUNITIES FOR COLLABORATION AMONG COMMUNITY ORGANIZATIONS AND LEADERS PARKVIEW HEALTH SYSTEM, INC REPRESENTATIVES HAVE RELATIONSHIPS THROUGHOUT OUR COMMUNITIES AND MEET REGULARLY WITH VARIOUS ORGANIZATIONS THAT SHARE OUR MISSION OF IMPROVING THE HEALTH OF THESE COMMUNITIES

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 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 -AT POINT OF REGISTRATION OR SCHEDULING, IF A PATIENT EXPRESSES THEIR INABILITY TO PAY, THE REGISTRAR OR SCHEDULER WILL REFER THE PATIENT TO A FINANCIAL COUNSELOR OR WILL PROVIDE FINANCIAL COUNSELING CONTACT INFORMATION IN THE FORM OF A BUSINESS CARD TO THE PATIENT OUTSIDE OF NORMAL BUSINESS HOURS -SIGNAGE IN THE CASHIER AREAS INFORMS THE PATIENT OF THEIR RIGHT TO RECEIVE CARE REGARDLESS OF THEIR ABILITY TO PAY AND TELLS THEM THEY MAY BE ELIGIBLE FOR GOVERNMENTAL ASSISTANCE -THE PATIENT'S INITIAL STATEMENT INSTRUCTS THE PATIENT TO CALL THE PATIENT ACCOUNTING DEPARTMENT IF THEY CANNOT PAY IN FULL THE PATIENT ACCOUNTING CALL CENTER COLLECTORS SCREEN FOR THE APPLICABILITY OF GOVERNMENT ASSISTANCE AND OFFER FREE CARE APPLICATIONS TO PATIENTS WHO CANNOT AFFORD TO PAY THEIR BILLS -THE ONLINE ACCOUNT MANAGER OF PARKVIEW HEALTH SYSTEM, INC 'S WEBSITE (WWW PARKVIEW COM) CONTAINS INFORMATION ON HOW TO CONTACT THE PATIENT ACCOUNTING DEPARTMENT FOR PAYMENT OPTIONS OR FREE CARE ELIGIBILITY -ALL UNINSURED OR UNDERINSURED PATIENTS WHO ARE INPATIENT OR OBSERVATION STATUS ARE VISITED BY FINANCIAL COUNSELORS THE FINANCIAL COUNSELORS PROVIDE PAYMENT OPTIONS, INCLUDING SCREENING FOR THE APPLICABILITY OF GOVERNMENT ASSISTANCE, AS WELL AS OFFERING FREE CARE APPLICATIONS TO PATIENTS WHO CANNOT AFFORD TO PAY THEIR BILLS -OUTBOUND PHONE CALLS ARE MADE TO PATIENTS TO SET UP PAYMENT ARRANGEMENTS IF A PATIENT CANNOT MAKE PAYMENT ON THEIR ACCOUNT, THEY WILL BE SCREENED FOR THE APPLICABILITY OF GOVERNMENT ASSISTANCE ADDITIONALLY, FREE CARE APPLICATIONS WILL BE OFFERED TO PATIENTS WHO CANNOT AFFORD TO PAY THEIR BILLS -IF A PATIENT'S ACCOUNT IS PLACED WITH A COLLECTION AGENCY, THE AGENCY IS INSTRUCTED TO SCREEN FOR FREE CARE IF THE PATIENT EXPRESSES THEIR INABILITY TO PAY

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 DESCRIBE THE COMMUNITY THE ORGANIZATION SERVES, TAKING INTO ACCOUNT THE GEOGRAPHIC AREA AND DEMOGRAPHIC CONSTITUENTS IT SERVES PARKVIEW HEALTH SYSTEM, INC SERVES THE NORTHEAST INDIANA AND NORTHWEST OHIO REGION AND OPERATES FACILITIES AND MEDICAL PRACTICES IN ALLEN, HUNTINGTON, LAGRANGE, NOBLE, AND WHITLEY COUNTIES, AS WELL AS IN COMMUNITIES IN VARIOUS NORTHWEST OHIO COUNTIES ALLEN COUNTY IS CONSIDERED THE URBAN AREA AMONGST THE OTHER RURAL COUNTIES MIKE PACKNETT, PRESIDENT AND CEO OF PARKVIEW HEALTH, SERVES AS CO-CHAIR OF THE VISION 20/20 INITIATIVE, LEADING A GROUP OF COMMUNITY REPRESENTATIVES FROM ACROSS BUSINESS, EDUCATION, GOVERNMENT AND FOUNDATION SECTORS TO DEVELOP A COMPELLING AND ACTIONABLE VISION FOR THE TEN-COUNTY NORTHEAST INDIANA REGION COMPLETION OF THE FIRST PHASE OF VISION 20/20 HAS REVEALED A CLEAR, UNIFYING VISION FOR THE FUTURE, SHARED REGIONAL PRIORITIES AND ACCOUNTABILITY, PLANS WITH SPECIFIC STRATEGIES AND TACTICS, AND AN ATTITUDE OF PASSION AND URGENCY TO SEE THE VISION TO ACTION VISION 20/20 ANNOUNCED PRIORITIES TIED TO EDUCATION, BUSINESS CLIMATE, ENTREPRENEURSHIP AND INFRASTRUCTURE FOR THE TEN-COUNTY REGION IN NORTHEAST INDIANA THE SOCIAL DETERMINANTS OF HEALTH AND COMMUNITY HEALTH STATUS ARE AN IMPORTANT COMPONENT OF THE VISION

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 PROVIDE ANY OTHER INFORMATION IMPORTANT TO DESCRIBING HOW THE ORGANIZATIO N'S HOSPITAL FACILITIES OR OTHER HEALTH CARE FACILITIES FURTHER ITS EXEMPT PURPOSE BY PROM OTING THE HEALTH OF THE COMMUNITY (E G OPEN MEDICAL STAFF, COMMUNITY BOARD, USE OF SURPLU S FUNDS, ETC) PARKVIEW HEALTH SYSTEM, INC 'S BOARD OF DIRECTORS IS COMPOSED OF MEMBERS, O F WHICH SUBSTANTIALLY ALL ARE INDEPENDENT COMMUNITY MEMBERS A MAJORITY OF THE BOARD RESID ES IN PARKVIEW HEALTH SYSTEM, INC 'S PRIMARY SERVICE AREA PARKVIEW HEALTH SYSTEM, INC , A S PARENT OF THE SYSTEM'S VARIOUS HOSPITALS AND PHYSICIAN PRACTICES, SERVES IN AN OVERSIGHT CAPACITY TO FORM AN INTEGRATED HEALTHCARE DELIVERY SYSTEM IN DOING SO, ALL OF OUR HEALTH CARE FACILITIES ARE EFFICIENTLY SUPPORTED WITH CENTRALIZED, COST-EFFECTIVE ADMINISTRATIVE SUPPORT AND GUIDANCE TO FORM A COMPLETE AND COMPREHENSIVE CARE DELIVERY SYSTEM FOR THE REG ION BY ITSELF AND THROUGH ITS MEMBER HOSPITALS AND ORGANIZATIONS, PARKVIEW HEALTH SYSTEM, INC SERVES TO MEET ITS MISSION TO ITS COMMUNITIES BY PERIODICALLY ASSESSING THE NEEDS OF THE REGION AND OFFERING THE SERVICES NECESSARY FOR A SAFER AND HEALTHIER POPULATION AS A TESTAMENT TO OUR COMMITMENT TO THE PEOPLE OF OUR COMMUNITIES, PARKVIEW HEALTH SYSTEM, INC IS PROUD TO ANNOUNCE THE OPENING OF THE NEW PARKVIEW REGIONAL MEDICAL CENTER ON OUR NORT H CAMPUS IN MARCH, 2012 THE NEW CENTER OFFERS THE LATEST IN CARE DESIGN AND STATE OF THE ART EQUIPMENT AND CLINICAL CAPABILITIES DATA OBTAINED THROUGH PERIODIC COMMUNITY HEALTH A SSESSMENTS, PHYSICIAN SURVEYS, AND TREND AND TREATMENT ANALYSIS IS UTILIZED IN PARKVIEW HE ALTH SYSTEM, INC 'S STRATEGIC PLANNING PROCESS IN IDENTIFYING COMMUNITY HEALTH NEEDS AS A RESULT OF THIS STRATEGIC PLANNING PROCESS, PARKVIEW HEALTH SYSTEM, INC HAS ESTABLISHED S EVERAL PRIORITY AREAS THESE PRIORITY AREAS ARE ALIGNED WITH PARKVIEW HEALTH SYSTEM, INC ' S MISSION, VISION, AND GOALS, AND HELP DIRECT THE TYPES OF HEALTH INITIATIVES THAT THE HOS PITAL AND THE HEALTH SYSTEM UNDERTAKE PRIORITY AREAS INCLUDE THE FOLLOWING PRIMARY HEALTH CARE/ACCESS TO HEALTH CARE -ADDITIONAL RECRUITMENT AND TRAINING OF PRIMARY CARE PHYSICIAN S FOR THE COMMUNITY-EXPANSION OF PRIMARY CARE ACCESS AND NON-TRADITIONAL HOURS OF PRACTICE -CONTINUED SUPPORT OF PROGRAMS PROVIDING PRIMARY CARE TO THE UNINSURED-PROGRAMS TO INCREAS E DISTRIBUTION OF FREE MEDICATIONS TO THE POOR-PROMOTION OF HEALTH CAREERS, PARTICULARLY T HOSE IN WHICH THE COMMUNITY IS EXPERIENCING A CURRENT SHORTAGE OF HEALTH CARE PROFESSIONAL S-SUPPORT FOR ACTIVITIES WHICH INCREASE THE AFFORDABILITY AND ACCESSIBILITY OF HEALTH INSU RANCE TO THE UNINSUREDHEALTH SCREENING AND PREVENTION -CANCER SCREENING PROGRAMS, PARTICUL ARLY MAMMOGRAM, COLORECTAL, AND PROSTATE SCREENING-TOBACCO CESSATION PROGRAMS-INJURY PREVE NTION FOR YOUNG PEOPLE-DIABETES EDUCATION AND SCREENING-CARDIOVASCULAR DISEASE EDUCATION A ND SCREENING-PROGRAMS TO REDUCE DANGEROUS DRIVINGDISEASE MANAGEMENT -CARDIOVASCULAR DISEAS E -CANCER-MENTAL ILLNESSES-TRAUMA AND ORTHOPAEDIC AILMENTS-WOMEN'S AND CHILDREN'S MEDICINE WITH AN EMPHASIS ON CHILDREN'S ASTHMA-DIABETES AND OBESITY HEALTH INNOVATION, EDUCATION, AND RESEARCH AND DEVELOPMENT THIS AREA CONCENTRATES ON OPPORTUNITIES FOR -ENHANCING HEALT H CARE EDUCATION, MEDICAL RESEARCH, AND TECHNOLOGY-PROMOTING ECONOMIC AND OTHER DEVELOPMEN T OF THE COMMUNITY PARKVIEW HEALTH SYSTEM, INC , AS THE PARENT ORGANIZATION AND THROUGH IT S MEMBER HOSPITALS, ANNUALLY FUNDS LOCAL COMMUNITY HEALTH IMPROVEMENT EFFORTS THESE FUNDS ARE USED TO SUPPORT HEALTH-RELATED, COMMUNITY-BASED PROGRAMS, PROJECTS AND ORGANIZATIONS FUNDS ARE ALSO USED TO SUPPORT COMMUNITY OUTREACH PROGRAMS AND HEALTH INITIATIVES THE EM PHASIS WITH THESE PROJECTS CONTINUES TO BE ON IMPROVING THE HEALTH OF THE COMMUNITIES WE S ERVE PARKVIEW HEALTH SYSTEM, INC , THROUGH ITS FLAGSHIP HOSPITAL PARKVIEW HOSPITAL, INC , PROVIDES A COMMUNITY-BASED NURSING PROGRAM THAT PROVIDES SUPPORT AND EDUCATION TO THOUSAN DS OF CHILDREN AND THEIR FAMILIES EACH YEAR IN SCHOOL SYSTEMS THROUGHOUT THE REGION OTHER PARKVIEW HOSPITAL, INC OUTREACH PROGRAMS INCLUDE MEDICATION ASSISTANCE, MOBILE MAMMOGRAP HY, NUTRITION EDUCATION AND TRAUMA INJURY PREVENTION EDUCATION PARKVIEW HOSPITAL, INC IS PROUD TO ANNOUNCE THE OPENING OF THE NEW PARKVIEW REGIONAL MEDICAL CENTER ON THE PARKVIEW HOSPITAL, INC NORTH CAMPUS IN MARCH, 2012 REPRESENTING A SIGNIFICANT INVESTMENT IN THE L OCAL COMMUNITY AND THE NORTHEAST INDIANA REGION THE CENTER WILL BLEND THE LATEST MEDICAL TECHNOLOGY WITH THE BEST POSSIBLE PATIENT-CENTERED CARE AND PROVIDE GREATER ACCESS TO HEAL TH CARE FOR THE ENTIRE REGION THE EXISTING PARKVIEW HOSPITAL, INC CAMPUS, LOCATED IN NOR TH CENTRAL FORT WAYNE, WILL RECEIVE A FACELIFT AND REMAIN A VITAL PART OF THE LOCAL NEIGHB ORHOOD IN ADDITION, PARKVIEW HOSPITAL, INC WILL BE PARTNERING WITH THE LIFE SCIENCE AND RESEARCH CONSORTIUM OF NORTHEAST INDIANA TO CREATE A CAMPUS FOR ACADEMIC PROGRAMS AND RESE ARCH TIED TO BEHAVIORAL HEALTH, REHABILITATION, AN

Identifier	ReturnReference	Explanation
		D SENIOR CARE

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 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 PARKVIEW HEALTH SYSTEM, INC (PARKVIEW), A HEALTH CARE SYSTEM SERVING NORTHEAST INDIANA AND NORTHWEST OHIO THROUGH OUR HOSPITALS AND PHYSICIAN CLINICS, INCLUDES THE NOT-FOR-PROFIT HOSPITALS OF PARKVIEW HOSPITAL, INC , COMMUNITY HOSPITAL OF LAGRANGE COUNTY, INC , COMMUNITY HOSPITAL OF NOBLE COUNTY, INC , WHITLEY MEMORIAL HOSPITAL, INC AND HUNTINGTON MEMORIAL HOSPITAL, INC AS WELL AS 60% OWNERSHIP IN THE JOINT VENTURE OF ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH, LLC PARKVIEW IS GUIDED BY A MISSION TO IMPROVE THE HEALTH OF THE COMMUNITIES IT SERVES PARKVIEW CONTRIBUTES TO THE SUCCESS OF THE REGION BY EFFICIENTLY OPERATING ITS FACILITIES, DELIVERING HIGH QUALITY HEALTHCARE SERVICES TO ITS PATIENTS, AND PROVIDING SUPPORT TO LOCAL BUSINESSES AND ACTIVITIES PARKVIEW SEEKS TO CREATE ALIGNMENT OPPORTUNITIES TO DELIVER COMPREHENSIVE HIGH-QUALITY CARE THAT BENEFITS ITS PATIENTS, PHYSICIANS, CO-WORKERS, AND COMMUNITIES PARKVIEW PRIDES ITSELF IN NOT ONLY OFFERING THE HIGHEST LEVEL OF CARE TO ITS PATIENTS, BUT ALSO IN PROVIDING A WORKPLACE THAT IS SECOND TO NONE FOR ITS PHYSICIANS, NURSES AND STAFF PARKVIEW'S MISSION IS TO PROVIDE HIGH QUALITY HEALTH SERVICES TO ALL WHO ENTRUST THEIR CARE TO US AND TO IMPROVE THE HEALTH OF OUR COMMUNITIES PARKVIEW BELIEVES THAT THE COMMUNITIES IT SERVES SHOULD ALL HAVE THE PEACE OF MIND THAT COMES WITH ACCESS TO COMPASSIONATE, HIGH-QUALITY HEALTH CARE, REGARDLESS OF WHETHER THE CARE IS DELIVERED IN A RURAL OR URBAN SETTING

Additional Data

Software ID:
Software Version:
EIN: 35-1972384
Name: PARKVIEW HEALTH SYSTEM INC

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

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size from largest to smallest) How many non-hospital facilities did the organization operate during the tax year? 71 Name and address	Type of Facility (Describe)
PARKVIEW PHYSICIANS' GROUP 1819 CAREW STREET FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1819 CAREW STREET FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1819 CAREW STREET FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1819 CAREW STREET FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1819 CAREW STREET FORT WAYNE,IN 46805	PHYSICIAN OFFICE
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PARKVIEW PHYSICIANS' GROUP 1819 CAREW STREET FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1819 CAREW STREET FORT WAYNE,IN 46805	PHYSICIAN OFFICE
PARKVIEW PHYSICIANS' GROUP 1819 CAREW STREET FORT WAYNE,IN 46805	PHYSICIAN OFFICE
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PARKVIEW PHYSICIANS' GROUP 1819 CAREW STREET FORT WAYNE,IN 46805	PHYSICIAN OFFICE

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

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

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 17

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

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

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 COMMUNITY HEALTH IMPROVEMENT FUNDING PARTNER ORGANIZATIONS ARE REQUIRED TO SUBMIT AN ANNUAL PROGRESS REPORT RELATED TO PROGRAM FUNDING PARTNER ORGANIZATIONS ARE REQUIRED TO RE-APPLY FOR FUNDING ON AN ANNUAL BASIS

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 35-1972384
Name: PARKVIEW HEALTH SYSTEM INC

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
PARKVIEW FOUNDATION INC 2200 RANDALLIA DRIVE FORT WAYNE,IN 46805	23-7220589	501 (C) 3	445,891				OPERATING FUNDS
COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC207 N TOWNLINE RD LAGRANGE,IN 46761	20-2401676	501 (C) 3	26,276				OPERATING FUNDS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
COMMUNITY HOSPITAL OF NOBLE COUNTY FOUNDATION INC 401 SAWYER ROAD KENDALLVILLE,IN 46755	35-2089183	501(C)3	25,566				OPERATING FUNDS
IPFW2101 EAST COLISEUM BLVD FORT WAYNE,IN 46805	35-6033698	501(C)3	370,273				SUPPORT FOR SCHOOL

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
UNIVERSITY OF SAINT FRANCIS2701 SPRING STREET FORT WAYNE,IN 46806	35-0886846	501 (C) 3	150,000				SUPPORT FOR SCHOOL
CITY OF FORT WAYNE REDEVELOPMENT COMMISSIONONE EAST MAIN STREET FORT WAYNE,IN 46802		GOVT ORG	150,000				CAPITAL MAINTENANCE & IMPROVEMENT FUND - PARKVIEW FIELD

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN HEART ASSOCIATION6100 WEST 96TH STREET INDIANAPOLIS,IN 46278	13-5613797	501 (C) 3	15,000				PROGRAMS & OPERATING FUNDS
FORT WAYNE URBAN LEAGUE2135 SOUTH HANNA STREET FORT WAYNE,IN 46803	35-0869052	501 (C) 3	12,500				PROGRAMS & OPERATING FUNDS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
ERINS HOUSE3811 ILLINOIS ROAD SUITE 205 FORT WAYNE,IN 46804	35-1884264	501 (C) 3	11,100				PROGRAMS & OPERATING FUNDS
VERA BRADLEY FOUNDATION FOR BREAST CANCERP O BOX 80201 FORT WAYNE,IN 46898	35-2058177	501 (C) 3	10,000				SUPPORT FOR RESEARCH

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MATTHEW 25 HEALTH CLINIC 413 E JEFFERSON BLVD FORT WAYNE,IN 46802	35-1484951	501(C)3	8,500				PROGRAMS & OPERATING FUNDS
FORT WAYNE AREA YOUTH FOR CHRIST6427 OAKBROOK PARKWAY FORT WAYNE,IN 46825	35-1051837	501(C)3	6,500				PROGRAMS & OPERATING FUNDS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
THE CARRIAGE HOUSE3327 LAKE AVENUE FORT WAYNE,IN 46805	35-2026647	501 (C) 3	6,000				OPERATIONS FUNDING
BIG BROTHERS BIG SISTERS2439 FAIRFIELD AVENUE FORT WAYNE,IN 46807	35-1271943	501 (C) 3	5,909				PROGRAMS & OPERATING FUNDS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MIDWEST ALLIANCE FOR HEALTH EDUCATION1819 CAREW STREET FORT WAYNE,IN 46805	35-1637515	501(C)3	12,000				RESEARCH PROJECTS AND INTERNSHIPS
NAACP FORT WAYNE CHAPTER 1521 EAST PONTIAC STREET FORT WAYNE,IN 46803	80-0592313	501(C)3	10,000				PROGRAMS & OPERATING FUNDS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
CAMERON HOSPITAL FOUNDATION416 E MAUMEE ST ANGOLA,IN 46703	35-1722087	501 (C) 3	12,000				PROGRAMS & OPERATING FUNDS

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINES 4A-B	SEVERANCE PAYMENT - MARK NAFZIGER $212,180 ELIMINATION OF PH EVP & COO POSITION SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN PAYMENTS TAXABLE - JEFFREY BROOKES $14,167, RONALD DOUBLE $7,329, JAMES HAUGUEL $12,532, RICK HENVEY $10,033, DEBRA WILLIAMS $17,079, JAMES WITMER $11,314 PARTICIPANTS DEFERRED - JEFFREY BROOKES $31,041, MICHAEL BROWNING $46,020, RONALD DOUBLE $30,090, JAMES HAUGUEL $21,736, RICK HENVEY $28,780, JILL OSTREM $17,208, MICHAEL PACKNETT $137,294, JAMES STAPEL $31,752, MITCHELL STUCKY $19,175, CATHERINE WILCOX $33,306, DEBRA WILLIAMS $28,373, JAMES WITMER $23,262

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 35-1972384
Name: PARKVIEW HEALTH SYSTEM INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
MICHAEL PACKNETT	(I) (II)	644,714 0	0 0	2,838 0	154,444 0	11,926 0	813,922 0	0 0
RAYMOND DUSMAN	(I) (II)	626,104 0	0 0	18,025 0	26,950 0	18,825 0	689,904 0	0 0
DUANE HOUGENDOBLER	(I) (II)	592,232 0	0 0	2,643 0	26,950 0	23,842 0	645,667 0	0 0
MITCHELL STUCKY	(I) (II)	242,254 54,433	0 0	4,877 0	37,799 8,326	10,432 2,298	295,362 65,057	0 0
MICHAEL BROWNING	(I) (II)	369,144 0	0 0	30,487 0	46,620 0	20,266 0	466,517 0	0 0
JEFFREY BROOKES	(I) (II)	16,242 262,110	0 0	17,105 0	5,163 40,578	1,214 9,544	39,724 312,232	0 14,167
CATHERINE WILCOX	(I) (II)	262,874 0	0 0	18,118 0	48,006 0	13,334 0	342,332 0	0 0
JAMES STAPEL	(I) (II)	261,938 0	0 0	18,394 0	58,702 0	14,187 0	353,221 0	0 0
RONALD DOUBLE	(I) (II)	254,513 0	0 0	8,319 0	55,815 0	6,362 0	325,009 0	7,329 0
DEBRA WILLIAMS	(I) (II)	242,587 0	0 0	18,647 0	40,623 0	8,923 0	310,780 0	17,079 0
RICK HENVEY	(I) (II)	241,708 0	0 0	10,693 0	33,658 0	17,879 0	303,938 0	10,033 0
JAMES WITMER	(I) (II)	194,178 0	0 0	15,657 0	35,094 0	12,798 0	257,727 0	11,314 0
JILL OSTREM	(I) (II)	139,835 0	10,000 0	21,114 0	17,208 0	9,377 0	197,534 0	0 0
RAMESH BHAT	(I) (II)	744,757 66,596	0 0	5,269 0	26,950 0	11,746 0	788,722 66,596	0 0
SAILAJA BLACKMON	(I) (II)	742,639 0	0 0	972 0	17,150 0	25,666 0	786,427 0	0 0
DAVID SCHLEINKOFER	(I) (II)	612,883 0	0 0	57,778 0	26,950 0	19,366 0	716,977 0	0 0
DAVID CLARK	(I) (II)	665,584 0	0 0	1,446 0	19,600 0	11,746 0	698,376 0	0 0
JOHN DRAKE	(I) (II)	651,267 9,548	0 0	2,693 0	22,050 0	20,566 0	696,576 9,548	0 0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
MARK NAFZIGER	(I)	0	0	211,886	0	816	212,702	0
	(II)	0	0	0	0	0	0	0
STANTON RISSER	(I)	108,116	1,000	395	5,580	17,172	132,263	0
	(II)	0	0	0	0	0	0	0
JAMES HAUGUEL	(I)	183,882	0	13,438	34,632	5,588	237,540	12,532
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	INDIANA FINANCE AUTHORITY	35-1602316	45471ABQ4	08-27-2009	264,703,254	SEE PART VI		X		X		X
B	INDIANA FINANCE AUTHORITY	35-1602316	45471AAS1	08-27-2009	223,665,000	SEE PART VI		X		X		X
C	INDIANA FINANCE AUTHORITY	35-1602316	NONEAVAIL	05-04-2010	30,000,000	SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	16,135,000			
2	Amount of bonds defeased				
3	Total proceeds of issue	264,704,689	223,915,573	30,000,000	
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	3,451,766	1,367,866	155,500	
8	Credit enhancement from proceeds		193,601		
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds		149,086,870	24,465,000	
11	Other spent proceeds	261,252,923	73,267,236		
12	Other unspent proceeds			3,379,500	
13	Year of substantial completion	2009	2011	2011	

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?	X		X		X			
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X			
c	Are there any research agreements that may result in private business use of bond-financed property?	X		X		X			
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X		X			
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 %		0 %			
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %		0 %		0 %			
6	Total of lines 4 and 5	0 %		0 %		0 %			
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X			

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		
2	Is the bond issue a variable rate issue?		X	X		X			
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X	X			X		
b	Name of provider			WELLS FARGO & PNC					
c	Term of hedge			20 000000000000					
d	Was the hedge superintegrated?				X				
e	Was a hedge terminated?				X				
4a	Were gross proceeds invested in a GIC?		X		X		X		
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
6	Did the bond issue qualify for an exception to rebate?	X		X		X			

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☑ Yes ☐ No

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE K, PART 1,A,F	DESCRIPTION OF PURPOSE	SERIES 2009A - 1) PARTIALLY REFUNDED OUTSTANDING 2005 SERIES BOND ISSUE 2) PARTIALLY REFUNDED OUTSTANDING BONDS FOR 2001 SERIES BOND ISSUE
SCHEDULE K, PART 1,B,F	DESCRIPTION OF PURPOSE	SERIES 2009BCD - 1) NEW MONEY FOR CONSTRUCTION OF NEW HOSPITAL IN FORT WAYNE, IN 2) FULLY REFUNDED BALANCE OF OUTSTANDING 2005 SERIES BONDS
SCHEDULE K, PART 1,C,F	DESCRIPTION OF PURPOSE	SERIES 2010 - NEW MONEY FOR CONSTRUCTION OF NEW PARKVIEW WHITLEY HOSPITAL FACILITY IN COLUMBIA CITY, IN
SCHEDULE K, PART II, 3, A & B	TOTAL PROCEEDS ON ISSUE	THIS AMOUNT INCLUDES INTEREST EARNED ON PROJECT AND/OR COST OF ISSUANCE FUNDS
SCHEDULE K, PART II, 3, C	TOTAL PROCEEDS ON ISSUE	THIS IS A CONSTRUCTION DRAW BOND AND THEREFORE NO INTEREST WILL BE EARNED ON ANY PROJECT FUNDS
SCHEDULE K, PART III, LINES 4-6	PRIVATE BENEFIT USE	PARKVIEW HEALTH SYSTEM, INC CLOSELY MONITORS THE LEVEL OF PRIVATE USE AT OUR BOND FINANCED FACILITIES THE LEVEL OF EQUITY PROVIDED BY PARKVIEW HEALTH SYSTEM, INC FOR THIS FACILITY IS MORE THAN SUFFICIENT TO COVER THE LOW LEVEL OF PRIVATE USE OCCURING WITHIN THE FACILITY CONSTRUCTED IN PART WITH BOND FINANCING

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1) FCFP LLC	ENTITY OF WHICH DIRECTOR MITCHELL STUCKY OWNED A GREATER THAN 5% INTEREST	921,501	RENTAL OF PROPERTY TO PARKVIEW HEALTH SYSTEM, INC - TRANSACTIONS WERE ENTERED INTO AT ARM'S LENGTH ADDITIONALLY, DIRECTOR MITCHELL STUCKY DOES NOT PARTICIPATE IN THE DISCUSSIONS/DECISION TO LEASE PROPERTY OR THE LEASE TERMS AND PAYMENTS		No
(2) NORTHEAST ORTHOPAEDIC HOSPITAL INVESTORS LLC	ENTITY OF WHICH DIRECTOR MICHAEL LEE OWNED A GREATER THAN 5% INTEREST	21,198,333	PARKVIEW HEALTH SYSTEM, INC AND NORTHEAST ORTHOPAEDIC HOSPITAL INVESTORS, LLC ARE BOTH MEMBERS IN THE JOINT VENTURE OF ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH, LLC THE TOTAL AMOUNT INVESTED BY PARKVIEW HEALTH SYSTEM, INC IN THE JOINT VENTURE AS OF 12/31/2011 IS $21,198,333		No
(3) GALILEO MANAGEMENT SERVICES LLC	ENTITY OF WHICH LARRY ROWLAND WAS SERVING AS AN OFFICER	300,000	VENDOR ARRANGEMENT - TRANSACTIONS WERE ENTERED INTO AT ARM'S LENGTH		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	KEY EMPLOYEE JAMES WITMER AND DIRECTORS THOMAS BEAVER AND CHARLES SCHRIMPER HAVE A BUSINESS RELATIONSHIP AS DIRECTORS ON THE BOARD OF AN UNRELATED ENTITY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 4	DURING 2011, THE FOLLOWING CHANGE WAS MADE TO THE BYLAWS OF PARKVIEW HEALTH SYSTEM, INC ARTICLE IV, SECTION 2 IS AS FOLLOWS THE BOARD OF DIRECTORS SHALL BE COMPOSED OF NO MORE THAN SEVENTEEN (17) DIRECTORS THE COMPOSITION OF THE BOARD OF DIRECTORS SHALL CONSIST OF THE FOLLOWING (A)SIX (6) EX-OFFICIO VOTING MEMBERS, WHO SHALL CONSIST OF THE CHAIRS OF PARKVIEW HOSPITAL, PARKVIEW WHITLEY HOSPITAL, PARKVIEW HUNTINGTON HOSPITAL, PARKVIEW NOBLE HOSPITAL, PARKVIEW LAGRANGE HOSPITAL AND PARKVIEW PHYSICIANS' GROUP OR SUCH OTHER MEMBER OF THE BOARD AS DESIGNATED BY THE RESPECTIVE BOARD, (B)UP TO NINE (9) AT-LARGE PHYSICIAN OR COMMUNITY LEADERS, AND (C)THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE CORPORATION AND THE CHIEF PHYSICIAN EXECUTIVE OF THE CORPORATION A MAJORITY OF THE BOARD OF DIRECTORS SHALL, AT ALL TIMES, BE CONSIDERED TO BE INDEPENDENT, AS DEFINED BY THE INTERNAL REVENUE SERVICE ELECTED DIRECTORS SHALL BE SELECTED FROM AMONG PERSONS, INCLUDING RESIDENTS OF THE COMMUNITIES SERVED BY THE CORPORATION, WHO HAVE DEMONSTRATED THEIR ABILITY TO PARTICIPATE EFFECTIVELY IN THE DISCHARGE OF CORPORATE RESPONSIBILITIES AND WHO ARE ABLE AND WILLING TO SERVE AND WHO SATISFY THE CRITERIA FOR BOARD PARTICIPATION CONSIDERATION SHOULD BE GIVEN TO PROMOTE DIVERSITY ON THE BOARD OF DIRECTORS ONE OF THE PRIMARY FUNCTIONS OF THE SYSTEM BOARD WILL BE TO CREATE THE VISION AND STRATEGIC PLAN AS A RESULT, DIRECTORS SHALL BE INDIVIDUALS WHO HAVE DEMONSTRATED LEADERSHIP SKILLS, RELEVANT EXPERTISE, INTEGRITY, DEMONSTRATED PROFESSIONAL / BUSINESS SUCCESS AND WHO ARE PEOPLE OF VISION WHEN VACANCIES ON THE BOARD OCCUR BY REASON OF DEATH, RESIGNATION, OR OTHERWISE, THE NUMBER OF DIRECTORS SHALL BE REDUCED BY SUCH VACANCIES UNTIL QUALIFIED REPLACEMENTS ARE ELECTED, AS SET FORTH IN ARTICLE IV, SECTION 4 IT SHALL BE THE DUTY OF DIRECTORS TO ATTEND REGULAR, SPECIAL AND ANNUAL MEETINGS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	AN ELECTRONIC COPY OF THE ORGANIZATION'S FINAL FORM 990 (INCLUDING REQUIRED SCHEDULES) WAS PROVIDED TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY AND THE SYSTEM AUDIT COMMITTEE, PRIOR TO FILING WITH THE IRS ON OCTOBER 10, 2012, THE SYSTEM AUDIT COMMITTEE REVIEWED THE FORM 990 AS ULTIMATELY FILED WITH THE IRS THIS REVIEW INCLUDED A PRESENTATION BY THE ORGANIZATION'S TAX PREPARER TO HIGHLIGHT THE SIGNIFICANT AREAS ON THE FORM 990 AND SUPPLEMENTAL SCHEDULES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	AS DESCRIBED IN ARTICLE IX SECTION 6, OF THE PARKVIEW HEALTH SYSTEM, INC (PH) BYLAWS, PH ADOPTED PH'S COMPLIANCE POLICY FOR THE ORGANIZATION AND ITS NOT-FOR-PROFIT RELATED ORGANIZATIONS (AND AS LIKEWISE NOTED IN THEIR BYLAWS) WHEN ADDRESSING CONFLICTS OR POTENTIAL CONFLICTS OF INTEREST THIS COMPLIANCE POLICY (COMPLIANCE POLICY #14) REQUIRES THAT EACH BOARD MEMBER, BOARD COMMITTEE MEMBER, AND KEY MANAGEMENT PERSONNEL MUST ANNUALLY COMPLETE A CONFLICT OF INTEREST FORM THIS INFORMATION IS PROVIDED TO THE CHAIRMAN OF THE BOARD (FOR BOARD AND BOARD COMMITTEE MEMBERS) AND TO SENIOR MANAGEMENT (FOR KEY MANAGEMENT PERSONNEL) IN ADDITION, AS TO THE CONDUCT OF BOARD MEETINGS, THE FOLLOWING PROCESS IS FOLLOWED WHENEVER A PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE IS CONSIDERING A TRANSACTION OR ARRANGEMENT WITH AN ORGANIZATION, ENTITY OR INDIVIDUAL IN WHICH A PERSON COVERED BY THIS POLICY HAS A FINANCIAL OR CONFLICTING INTEREST, THE FOLLOWING SHALL OCCUR 1 THE INTERESTED PERSON MUST DISCLOSE THE FINANCIAL OR CONFLICTING INTEREST AND ALL MATERIAL FACTS TO THE PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE, 2 THE INTERESTED PERSON WITH THAT FINANCIAL OR CONFLICTING INTEREST MAY MAKE A PRESENTATION AT THE BOARD OR BOARD COMMITTEE MEETING REGARDING THE TRANSACTION OR ARRANGEMENT HOWEVER, HE/SHE SHALL LEAVE THE MEETING DURING THE DISCUSSION OF, AND THE VOTE ON, THE TRANSACTION OR ARRANGEMENT THAT RESULTS IN THE FINANCIAL OR CONFLICTING INTEREST, AND 3 THE PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE MUST APPROVE THE TRANSACTION OR ARRANGEMENT BY A MAJORITY VOTE OF THE BOARD MEMBERS PRESENT AT A MEETING THAT HAS A QUORUM, NOT INCLUDING THE VOTE OF THE INTERESTED PERSON IN ADDITION, THE FOLLOWING CONSIDERATIONS SHOULD BE MADE 4 IF APPROPRIATE, THE PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE MAY APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT, AND 5 IN ORDER TO APPROVE THE TRANSACTION, THE PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE MUST FIRST FIND, BY A MAJORITY VOTE OF THE DISINTERESTED BOARD MEMBERS, THAT THE PROPOSED TRANSACTION OR ARRANGEMENT IS IN THE BEST INTERESTS OF AND FOR THE BENEFIT OF PH AND/OR PH AFFILIATES AND THE PROPOSED TRANSACTION IS FAIR AND REASONABLE TO PH AND/OR PH AFFILIATES AND, AFTER REASONABLE INVESTIGATION, THAT THE PH AND/OR PH AFFILIATES CANNOT OBTAIN A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT WITH REASONABLE EFFORTS UNDER THE CIRCUMSTANCES "

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	TO THE EXTENT THAT THE ORGANIZATION HAS VICE PRESIDENT OR ABOVE, THE ORGANIZATION USED A PROCESS FOR DETERMINING COMPENSATION OF THE CEO, OFFICERS, AND KEY EMPLOYEES THE PROCESS INCLUDES CONSULTATIONS WITH AN INDEPENDENT COMPENSATION ADVISOR, REVIEW, AND APPROVAL BY THE GOVERNING BODY, AND CONTEMPORANEOUS DOCUMENTATION AND RECORDKEEPING WITH RESPECT TO DELIBERATIONS AND DECISIONS REGARDING THE COMPENSATION ARRANGEMENTS IN 2011, THE BOARD OF PARKVIEW HEALTH SYSTEM, INC REVIEWED AND APPROVED ALL EXECUTIVE COMPENSATION, BENEFITS AND PERQUISITES FOR THE 2011 COMPENSATION PACKAGE, PURSUANT TO THE PARKVIEW HEALTH BYLAWS THE COMPENSATION PACKAGE WAS APPROVED BY A MAJORITY OF INDEPENDENT BOARD MEMBERS PARKVIEW'S INDEPENDENT CONSULTANT PREPARES A COMPETITIVE COMPENSATION ANALYSIS USING DATA FROM MULTIPLE PUBLISHED SURVEYS PREPARED BY INDEPENDENT FIRMS FOR POSITIONS THAT ARE FUNCTIONALLY COMPARABLE IN SIMILAR-SIZED HEALTH SYSTEMS AND HOSPITAL ORGANIZATIONS ON BOTH A REGIONAL AND NATIONAL BASIS THE INDEPENDENT CONSULTANT PROVIDES A STATEMENT OF REASONABLENESS OF THE COMPENSATION PROVIDED TO THE CEO AS WELL AS ALL EXECUTIVES AT THE VICE PRESIDENT LEVEL AND ABOVE ALL DATA IS SHARED WITH THE BOARD OF DIRECTORS THE BOARD APPROVES ANY CHANGES IN COMPENSATION FOR THE CEO AND HIS DIRECT REPORTS APPROVAL IS ALSO PROVIDED FOR THE MERIT BUDGET FOR THE ENTIRE ORGANIZATION THE BOARD REVIEWS AND APPROVES THE MANAGEMENT INCENTIVE COMPENSATION PLAN (MICP) WHILE THE BOARD CONSIDERED THE ISSUE OF MERIT INCREASES AND MICP, NO MERIT INCREASES OR MICP WERE APPROVED FOR 2011 OFFICES OR POSITIONS REVIEWED AT THE 2011 MEETING PRESIDENT AND CEO PH EXECUTIVE VICE PRESIDENT STRATEGIC DIRECTION AND BUSINESS DEVELOPMENT EXECUTIVE VICE PRESIDENT PARKVIEW HEALTH/COO PARKVIEW HOSPITAL CHIEF PHYSICIAN EXECUTIVE PARKVIEW PHYSICIANS' GROUP CHIEF PHYSICIAN EXECUTIVE SENIOR VICE PRESIDENT OPERATIONS / SERVICE EXCELLENCE SENIOR VICE PRESIDENT HUMAN RESOURCES SENIOR VICE PRESIDENT AND GENERAL COUNSEL SENIOR VICE PRESIDENT PATIENT CARE SENIOR VICE PRESIDENT OPERATIONS SENIOR VICE PRESIDENT AND CHIEF INFORMATION OFFICER SENIOR VICE PRESIDENT/COO ORTHOPEDIC HOSPITAL SENIOR VICE PRESIDENT/COO COMMUNITY HOSPITALS - HUNTINGTON SENIOR VICE PRESIDENT/COO COMMUNITY HOSPITALS - LAGRANGE SENIOR VICE PRESIDENT/COO COMMUNITY HOSPITALS - NOBLE SENIOR VICE PRESIDENT/COO COMMUNITY HOSPITALS - WHITLEY SENIOR VICE PRESIDENT/COO PHYSICIAN PRACTICES SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER SENIOR VICE PRESIDENT REVENUE CYCLE MANAGEMENT SENIOR VICE PRESIDENT FACILITY DESIGN AND OVERSIGHT SENIOR VICE PRESIDENT STRATEGIC INITIATIVES MEDICAL DIRECTOR PARKVIEW PHYSICIANS' GROUP MEDICAL DIRECTOR COMMUNITY HOSPITALS MEDICAL DIRECTOR HEALTH PLAN SERVICES VICE PRESIDENT - PATIENT CARE - LAGRANGE VICE PRESIDENT - PATIENT CARE - NOBLE VICE PRESIDENT - PATIENT CARE - WHITLEY VICE PRESIDENT/ADMINISTRATOR PRIMARY CARE PRACTICE GROUP VICE PRESIDENT CHANGING SPACES CONSTRUCTION/PROJECT MANAGEMENT VICE PRESIDENT PLANNING AND DECISION SUPPORT VICE PRESIDENT STRATEGIC AND BUSINESS DEVELOPMENT VICE PRESIDENT HEALTH INFORMATION MANAGEMENT VICE PRESIDENT/ADMINISTRATOR SPECIALTY PRACTICE GROUP VICE PRESIDENT SPECIAL PROJECTS VICE PRESIDENT PARKVIEW PHYSICIANS' GROUP FINANCE VICE PRESIDENT SUPPLY CHAIN COO PARKVIEW HEART INSTITUTE EXECUTIVE DIRECTOR PARKVIEW OUTPATIENT ENTERPRISE EXECUTIVE DIRECTOR WOMEN'S AND CHILDREN'S SERVICES EXECUTIVE DIRECTOR CANCER SERVICES CORPORATE DIRECTOR MARKETING, COMMUNICATIONS, COMMUNITY RELATIONS CORPORATE DIRECTOR DIETETICS/FOOD SERVICES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	COPIES OF THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
COMMON PAYING AGENT FOR FILING ORGANIZATION	FORM 990, PART V, LINE 1A, 2A AND PART VII, SECTION B, LINE 2	PARKVIEW HEALTH SYSTEM, INC (PH), EIN 35-1972384, IS THE COMMON PAYING AGENT FOR THE FILING ORGANIZATION AS WELL AS RELATED ENTITIES THEREFORE, ALL APPLICABLE IRS TAX FILINGS, INCLUDING FORMS 1099, 1096, W-2 AND W-3 ARE REPORTED AND FILED BY PH THE TOTAL NUMBER REPORTED IN BOX 3 OF FORM 1096 AND FILED BY THE COMMON PAYING AGENT, PH, FOR THE YEAR ENDED DECEMBER 31, 2011 WAS 501 THE TOTAL NUMBER OF EMPLOYEES REPORTED ON FORM W-3 AND FILED BY THE COMMON PAYING AGENT, PH, FOR THE YEAR ENDED DECEMBER 31, 2011 WAS 8,034 FOR PURPOSES OF COMPLETING FORM 990, PART V, LINE 1A AND 2A, THE NUMBER REPORTED FOR PARKVIEW HEALTH SYSTEM, INC WAS 273 AND 2,434 RESPECTIVELY AS REFLECTED IN PART VII, SECTION B, APPROXIMATELY 19 INDEPENDENT CONTRACTORS RECEIVED MORE THAN $100,000 IN COMPENSATION FOR SERVICES FROM PARKVIEW HEALTH SYSTEM, INC

Additional Data

Software ID:
Software Version:
EIN: 35-1972384
Name: PARKVIEW HEALTH SYSTEM INC

Form 990, Schedule A, Part I, Line 11h - Provide the following information about the organizations the organization supports.

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section)	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
(A) PARKVIEW HOSPITAL INC	350868085	3	Yes		Yes		Yes		79134000
(B) HUNTINGTON MEMORIAL HOSPITAL INC	351970706	3	Yes		Yes		Yes		6411000
(C) WHITLEY MEMORIAL HOSPITAL INC	351967665	3	Yes		Yes		Yes		5478000
(D) COMMUNITY HOSPITAL OF NOBLE COUNTY INC	352089183	3	Yes		Yes		Yes		6625000
(E) COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	202401676	3	Yes		Yes		Yes		4432000

Identifier	Return Reference	Explanation
AVERAGE HOURS PER WEEK DEVOTED TO RELATED ORGANIZATIONS	FORM 990, PART VII, SECTION A, COLUMN B	MICHAEL PACKNETT (DIRECTOR/PH CEO), MICHAEL BROWNING (PH SVP & CFO), CATHERINE WILCOX (PH SVP), RONALD DOUBLE (PH CIO), AND DEBRA WILLIAMS (PH SVP) DEVOTED APPROXIMATELY 40 HOURS PER WEEK TO PARKVIEW HEALTH SYSTEM, INC (PH), AND ONE HOUR PER WEEK TO EACH OF THE FOLLOWING TAX-EXEMPT AND TAXABLE ORGANIZATIONS RELATED TO PH PARKVIEW HOSPITAL, INC (PVHOS) PARKVIEW OCCUPATIONAL HEALTH CENTERS, INC (POHCI) HUNTINGTON MEMORIAL HOSPITAL, INC (HMHOS) COMMUNITY HOSPITAL OF LAGRANGE COUNTY, INC (LGHOS) COMMUNITY HOSPITAL OF NOBLE COUNTY, INC (NBHOS) WHITLEY MEMORIAL HOSPITAL, INC (WMHOS) PARKVIEW FOUNDATION, INC (PVFND) PARKVIEW HUNTINGTON HOSPITAL FOUNDATION, INC (HMFND) COMMUNITY HOSPITAL OF NOBLE COUNTY FOUNDATION, INC (NBFND) WHITLEY MEMORIAL HOSPITAL FOUNDATION, INC (WMFND) PARKVIEW PROFESSIONAL PROGRAMS, INC (PPP) MIDWEST COMMUNITY HEALTH ASSOCIATES, INC (MCHA) ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH, LLC (ORTHO) MANAGED CARE SERVICES, LLC (MCS) FOUNDATION SURGERY AFFILIATE OF FORT WAYNE, LLC (ISCLC) PARKVIEW IMAGING HUNTINGTON, LLC (PIHLC) MITCHELL STUCKY (DIRECTOR/PH PHYSICIAN) DEVOTED APPROXIMATELY 10 HOURS PER WEEK TO PVHOS AND 34 HOURS PER WEEK TO PH MICHAEL AXEL (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO NBHOS AND ONE HOUR PER WEEK TO PH RICHARD BAKER (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO HMHOS AND ONE HOUR PER WEEK TO PH THOMAS BEAVER (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PH BRIAN EMERICK (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO WMHOS AND ONE HOUR PER WEEK TO PH DAVID HAIST (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PH JOHN PRICE (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO LGHOS, AND ONE HOUR PER WEEK TO PH LARRY ROWLAND (DIRECTOR) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVFND AND ONE HOUR PER WEEK TO PH WIL SMITH (DIRECTOR/TREASURER) DEVOTED APPROXIMATELY ONE HOUR PER WEEK TO PVHOS AND ONE HOUR PER WEEK TO PH JEFFREY BROOKES (PH MEDICAL DIR - COMMUNITY HOSPITALS) DEVOTED APPROXIMATELY 10 HOURS PER WEEK TO HMHOS, 10 HOURS PER WEEK TO LGHOS, 10 HOURS PER WEEK TO NBHOS, 10 HOURS PER WEEK TO WMHOS AND ONE HOUR PER WEEK TO PH JAMES STAPEL (PH MEDICAL DIR - PPG) DEVOTED APPROXIMATELY 40 HOURS PER WEEK TO PH AND AS-NEEDED HOURS TO HMHOS, LGHOS, NBHOS, AND WMHOS RICK HENVEY (PH COO-COMMUNITY HOSPITALS) DEVOTED APPROXIMATELY 40 HOURS PER WEEK TO PH, ONE HOUR PER WEEK TO PVHOS, ONE HOUR PER WEEK TO POHCI, ONE HOUR PER WEEK TO HMHOS, ONE HOUR PER WEEK TO LGHOS, ONE HOUR PER WEEK TO NBHOS AND ONE HOUR PER WEEK TO WMHOS RAMESH BHAT (PH PHYSICIAN) DEVOTED APPROXIMATELY 1 HOUR PER WEEK TO ISCLC AND 40 HOURS PER WEEK TO PH JOHN DRAKE (PH PHYSICIAN) DEVOTED APPROXIMATELY 1 HOUR PER WEEK TO ISCLC AND 40 HOURS PER WEEK TO PH

Identifier	Return Reference	Explanation
SALES OF SECURITIES	FORM 990 PART VIII, LINES 7A, B & C, COLUMN I	LINE 7A GROSS AMOUNT FROM SALES OF ASSETS OTHER THAN INVENTORY $578,899,357 LINE 7B LESS COST OR OTHER BASIS AND SALES EXPENSES $574,347,511 LINE 7C GAIN OR (LOSS) $4,551,846

Identifier	Return Reference	Explanation
SALARIES AND WAGES, OTHER EMPLOYEE BENEFITS AND PAYROLL TAXES	FORM 990, PART IX, LINES 5-10	PARKVIEW HEALTH SYSTEM, INC , EIN 35-1972384, SERVES AS THE COMMON PAYING AGENT FOR ALL TAX-EXEMPT ORGANIZATIONS OF THE SYSTEM SALARIES AND WAGES OF EMPLOYEES WORKING FOR THESE ORGANIZATIONS ARE CHARGED DIRECTLY TO THE ORGANIZATIONS IN WHICH THEY WORK THE ACTUAL EXPENSES FOR PAYROLL TAXES, EMPLOYEE BENEFITS, AND PENSION PLAN CONTRIBUTIONS ARE REFLECTED ON THE BOOKS OF PARKVIEW HEALTH SYSTEM, INC FOR FINANCIAL REPORTING PURPOSES TO ACCOUNT FOR BENEFIT COSTS ON THE BOOKS OF THE OTHER TAX EXEMPT ORGANIZATIONS, AN ALLOCATION METHODOLOGY IS UTILIZED TO CHARGE THESE ORGANIZATIONS WITH AN ESTIMATE OF THE OVERALL COSTS, REFERRED TO AS A "BENEFIT ALLOCATION" FROM PARKVIEW HEALTH SYSTEM, INC THE ALLOCATION DOES NOT DISTINGUISH BETWEEN THE COSTS OF THE VARIOUS COMPONENTS (I E PAYROLL TAXES, EMPLOYEE BENEFITS, AND PENSION PLAN CONTRIBUTIONS) THEREFORE, FOR PURPOSES OF THE FORM 990, PART IX, THE TOTAL BENEFIT ALLOCATION FOR THE EMPLOYEES' SALARIES AND WAGES REPORTED ON LINE 7 IS REFLECTED ON LINE 9 AND NOT ALLOCATED BETWEEN LINES 8 OR 10 FOR PURPOSES OF THE FORM 990, PART IX, LINES 5 AND 6 REFLECT COMPENSATION AND BENEFIT AMOUNTS REPORTED IN PART VII

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -59,625,583 ASSET ADJUSTMENT TRANSFERS 39,381,514 BOOK/TAX DIFF FROM K-1'S 687,588 CURRENT YEAR EARNINGS TRANSFERRED FROM 501(C)3'S 90,498,086 AMORTIZE BOND SWAP OCI 42,600 ADJUST OCI FOR PENSION -47,523,991 IMPAIRMENT -7,735,562 TOTAL TO FORM 990, PART XI, LINE 5 15,724,652

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PARKVIEW HEALTH SYSTEM INC

Employer identification number
35-1972384

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) NORTHEAST OBSTETRICS & GYNECOLOGY INC 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 32-0118260	PHYSICIANS	IN			PARKVIEW HEALTH SYSTEM INC
(2) NEW VISION PROFESSIONAL PARK LLC 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 35-1972384	REAL ESTATE	IN	1,108,529	11,593,809	PARKVIEW HEALTH SYSTEM INC
(3) TRI-STATE MEDICAL IMAGING LLC 3250 INTERTECH DR SUITE D ANGOLA, IN 46703 20-4212330	RADIOLOGY	IN	587,754	1,141,164	COMMUNITY HOSPITAL OF NOBLE COUNTY INC
(4) FORT WAYNE ENDOSCOPY CENTER LLC 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 43-1957176	ENDOSCOPY	IN	1,590,501	1,734,977	PARKVIEW HEALTH SYSTEM INC

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH LLC 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 26-0143823	ORTHO HOSPITAL	IN	PARKVIEW HEALTH SYSTEM INC	RELATED	12,123,138	22,767,361		No		Yes		60 000 %
(2) FOUNDATION SURGERY AFFILIATE OF FORT WAYNE LLC 8004 CARNEGIE BLVD FORT WAYNE, IN 46804 20-1394120	SURGICAL SERVICES	IN	PARKVIEW HEALTH SYSTEM INC	RELATED	858,114	396,539		No		Yes		51 000 %
(3) MANAGED CARE SERVICES LLC 2200 RANDALLIA DRIVE FORT WAYNE, IN 46805 35-1996535	HEALTH PLAN ADMIN	IN	PARKVIEW HEALTH SYSTEM INC	RELATED	191,246	4,017,825		No		Yes		90 000 %
(4) PARKVIEW IMAGING HUNTINGTON LLC 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 20-8651460	EQUIPMENT LEASING	IN	HUNTINGTON MEMORIAL HOSPITAL INC	RELATED	238,142	148,229		No			No	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) PARKVIEW PROFESSIONAL PROGRAMS INC 2200 RANDALLIA DRIVE FORT WAYNE, IN 46805 35-1668888	REFERENCE LAB	IN	PARKVIEW HOSPITAL INC	C	15,163,615	4,893,587	
(2) PARKVIEW PROFESSIONAL BILLINGS INC 2200 RANDALLIA DRIVE FORT WAYNE, IN 46805 35-1950305	BILLING	IN	PARKVIEW HOSPITAL INC	C	511		
(3) FORT WAYNE CARDIOVASCULAR SURGEONS PC 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 35-1150847	PHYSICIANS	IN	PARKVIEW HEALTH SYSTEM INC	C	100,725		100 000 %
(4) FORT WAYNE CARDIOLOGY CORPORATION 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 61-1419843	PHYSICIANS	IN	PARKVIEW HEALTH SYSTEM INC	C	173,336		100 000 %
(5) WATKINS FAMILY PRACTICE PC 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 35-1851768	PHYSICIANS	IN	PARKVIEW HEALTH SYSTEM INC	C	101,585		100 000 %
(6) MIDWEST COMMUNITY HEALTH ASSOCIATES INC 442 W HIGH STREET BRYAN, OH 43506 34-1045870	PHYSICIANS	OH	PARKVIEW HEALTH SYSTEM INC	C	34,655,639	5,187,919	100 000 %
(7) SIGNATURE CARE INC 2200 RANDALLIA DRIVE FORT WAYNE, IN 46805 38-3069801	INVESTMENT	IN	PARKVIEW HEALTH SYSTEM INC	C			100 000 %

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

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

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

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

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate 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		Yes	No	

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation
METHOD USED TO DETERMINE VALUE	SCHEDULE R, PART V, LINE 2, COLUMN (C)	THE AMOUNTS REPORTED AS TRANSACTIONS WITH RELATED ORGANIZATIONS ARE CONSISTENT WITH THE AMOUNTS REPORTED ON THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS UNDER THE GENERALLY ACCEPTED ACCOUNTING STANDARDS DEPENDING ON THE TYPE OF TRANSACTION INVOLVED

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 35-1972384
Name: PARKVIEW HEALTH SYSTEM INC

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization	
PARKVIEW HOSPITAL INC 2200 RANDALLIA DRIVE FORT WAYNE, IN 46805 35-0868085	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC	Yes	
PARKVIEW FOUNDATION INC 2200 RANDALLIA DRIVE FORT WAYNE, IN 46805 23-7220589	FUND MGMT	IN	501(C)(3)	LINE 11A, I	PARKVIEW HOSPITAL INC	Yes	
PARKVIEW OCCUPATIONAL HEALTH CENTERS INC 2200 RANDALLIA DRIVE FORT WAYNE, IN 46805 35-2064353	OCCUP HEALTH	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC	Yes	
COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC 207 N TOWNLINE ROAD LAGRANGE, IN 46761 20-2401676	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC	Yes	
COMMUNITY HOSPITAL OF NOBLE COUNTY INC 401 SAWYER ROAD KENDALLVILLE, IN 46755 35-2087092	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC	Yes	
COMMUNITY HOSPITAL OF NOBLE COUNTY FOUNDATION INC 401 SAWYER ROAD KENDALLVILLE, IN 46755 35-2089183	FUND MGMT	IN	501(C)(3)	LINE 11A, I	COMMUNITY HOSPITAL OF NOBLE COUNTY INC	Yes	
WHITLEY MEMORIAL HOSPITAL INC 1260 E STATE ROAD 205 COLUMBIA CITY, IN 46725 35-1967665	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC	Yes	
WHITLEY MEMORIAL HOSPITAL FOUNDATION INC 1260 E STATE ROAD 205 COLUMBIA CITY, IN 46725 31-1190239	FUND MGMT	IN	501(C)(3)	LINE 11A, I	WHITLEY MEMORIAL HOSPITAL INC	Yes	
HUNTINGTON MEMORIAL HOSPITAL INC 2001 STULTS ROAD HUNTINGTON, IN 46750 35-1970706	HOSPITAL CARE	IN	501(C)(3)	LINE 3	PARKVIEW HEALTH SYSTEM INC	Yes	
PARKVIEW HUNTINGTON HOSPITAL FOUNDATION INC 2001 STULTS ROAD HUNTINGTON, IN 46750 32-0012095	FUND MGMT	IN	501(C)(3)	LINE 11A, I	HUNTINGTON MEMORIAL HOSPITAL INC	Yes	

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(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
PARKVIEW PROFESSIONAL PROGRAMS INC 2200 RANDALLIA DRIVE FORT WAYNE, IN 46805 35-1668888	REFERENCE LAB	IN	PARKVIEW HOSPITAL INC	C	15,163,615	4,893,587	
PARKVIEW PROFESSIONAL BILLINGS INC 2200 RANDALLIA DRIVE FORT WAYNE, IN 46805 35-1950305	BILLING	IN	PARKVIEW HOSPITAL INC	C	511		
FORT WAYNE CARDIOVASCULAR SURGEONS PC 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 35-1150847	PHYSICIANS	IN	PARKVIEW HEALTH SYSTEM INC	C	100,725		100 000 %
FORT WAYNE CARDIOLOGY CORPORATION 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 61-1419843	PHYSICIANS	IN	PARKVIEW HEALTH SYSTEM INC	C	173,336		100 000 %
WATKINS FAMILY PRACTICE PC 10501 CORPORATE DRIVE FORT WAYNE, IN 46845 35-1851768	PHYSICIANS	IN	PARKVIEW HEALTH SYSTEM INC	C	101,585		100 000 %
MIDWEST COMMUNITY HEALTH ASSOCIATES INC 442 W HIGH STREET BRYAN, OH 43506 34-1045870	PHYSICIANS	OH	PARKVIEW HEALTH SYSTEM INC	C	34,655,639	5,187,919	100 000 %
SIGNATURE CARE INC 2200 RANDALLIA DRIVE FORT WAYNE, IN 46805 38-3069801	INVESTMENT	IN	PARKVIEW HEALTH SYSTEM INC	C			100 000 %

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	HUNTINGTON MEMORIAL HOSPITAL INC	A	1,262,500	PART VII SUPPLEMENTAL INFORMATION
(2)	COMMUNITY HOSPITAL OF NOBLE COUNTY INC	A	1,376,728	PART VII SUPPLEMENTAL INFORMATION
(3)	PARKVIEW OCCUPATIONAL HEALTH CENTERS INC	A	56,249	PART VII SUPPLEMENTAL INFORMATION
(4)	PARKVIEW HOSPITAL INC	A	1,195,936	PART VII SUPPLEMENTAL INFORMATION
(5)	WHITLEY MEMORIAL HOSPITAL INC	A	845,658	PART VII SUPPLEMENTAL INFORMATION
(6)	COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	A	5,012	PART VII SUPPLEMENTAL INFORMATION
(7)	MIDWEST COMMUNITY HEALTH ASSOCIATES INC	A	1,482,011	PART VII SUPPLEMENTAL INFORMATION
(8)	COMMUNITY HOSPITAL OF NOBLE COUNTY FOUNDATION INC	B	25,566	PART VII SUPPLEMENTAL INFORMATION
(9)	COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	B	26,276	PART VII SUPPLEMENTAL INFORMATION
(10)	PARKVIEW FOUNDATION INC	B	445,891	PART VII SUPPLEMENTAL INFORMATION
(11)	PARKVIEW FOUNDATION INC	C	103,741	PART VII SUPPLEMENTAL INFORMATION
(12)	COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	D	10,596,241	PART VII SUPPLEMENTAL INFORMATION
(13)	MIDWEST COMMUNITY HEALTH ASSOCIATES INC	D	1,921,345	PART VII SUPPLEMENTAL INFORMATION
(14)	HUNTINGTON MEMORIAL HOSPITAL INC	I	1,262,500	PART VII SUPPLEMENTAL INFORMATION
(15)	PARKVIEW OCCUPATIONAL HEALTH CENTERS INC	I	56,249	PART VII SUPPLEMENTAL INFORMATION
(16)	PARKVIEW HOSPITAL INC	I	1,195,936	PART VII SUPPLEMENTAL INFORMATION
(17)	WHITLEY MEMORIAL HOSPITAL INC	I	845,658	PART VII SUPPLEMENTAL INFORMATION
(18)	COMMUNITY HOSPITAL OF NOBLE COUNTY INC	I	1,376,728	PART VII SUPPLEMENTAL INFORMATION
(19)	MIDWEST COMMUNITY HEALTH ASSOCIATES INC	I	1,482,011	PART VII SUPPLEMENTAL INFORMATION
(20)	COMMUNITY HOSPITAL OF NOBLE COUNTY INC	J	72,973	PART VII SUPPLEMENTAL INFORMATION

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(21)	COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	J	50,613	PART VII SUPPLEMENTAL INFORMATION
(22)	WHITLEY MEMORIAL HOSPITAL INC	J	218,930	PART VII SUPPLEMENTAL INFORMATION
(23)	ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH LLC	K	3,891,750	PART VII SUPPLEMENTAL INFORMATION
(24)	FOUNDATION SURGERY AFFILIATE OF FORT WAYNE LLC	K	553,430	PART VII SUPPLEMENTAL INFORMATION
(25)	FORT WAYNE ENDOSCOPY CENTER LLC	K	115,181	PART VII SUPPLEMENTAL INFORMATION
(26)	FORT WAYNE CARDIOVASCULAR SURGEONS PC	K	136,741	PART VII SUPPLEMENTAL INFORMATION
(27)	FORT WAYNE CARDIOLOGY CORPORATION	K	210,538	PART VII SUPPLEMENTAL INFORMATION
(28)	PARKVIEW HOSPITAL INC	P	105,987,535	PART VII SUPPLEMENTAL INFORMATION
(29)	HUNTINGTON MEMORIAL HOSPITAL INC	P	8,832,431	PART VII SUPPLEMENTAL INFORMATION
(30)	COMMUNITY HOSPITAL OF NOBLE COUNTY INC	P	8,655,349	PART VII SUPPLEMENTAL INFORMATION
(31)	WHITLEY MEMORIAL HOSPITAL INC	P	7,633,672	PART VII SUPPLEMENTAL INFORMATION
(32)	COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	P	5,475,222	PART VII SUPPLEMENTAL INFORMATION
(33)	MANAGED CARE SERVICES LLC	P	217,000	PART VII SUPPLEMENTAL INFORMATION
(34)	PARKVIEW FOUNDATION INC	P	57,000	PART VII SUPPLEMENTAL INFORMATION
(35)	PARKVIEW HOSPITAL INC	R	65,615,536	PART VII SUPPLEMENTAL INFORMATION
(36)	HUNTINGTON MEMORIAL HOSPITAL INC	R	11,299,485	PART VII SUPPLEMENTAL INFORMATION
(37)	WHITLEY MEMORIAL HOSPITAL INC	R	25,740,698	PART VII SUPPLEMENTAL INFORMATION
(38)	COMMUNITY HOSPITAL OF NOBLE COUNTY INC	R	26,341,146	PART VII SUPPLEMENTAL INFORMATION
(39)	COMMUNITY HOSPITAL OF LAGRANGE COUNTY INC	R	818,777	PART VII SUPPLEMENTAL INFORMATION

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TY 2011 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND CATHERINE S. CHUNG (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS FOR 3 YEARS UNLESS TERMINATED SOONER. THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT. OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIAN IN SELECTING BENEFITS ON : LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH THE PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

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TY 2011 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND LISA M. HOLTSCLAW (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS FOR 3 YEARS UNLESS TERMINATED SOONER. THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT. OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIAN IN SELECTING BENEFITS ON : LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH THE PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

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TY 2011 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTTHE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND MOHAN M. MENON (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS FOR 3 YEARS UNLESS TERMINATED SOONER. THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT. OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIAN IN SELECTING BENEFITS ON : LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.B) NON-COMPETE AGREEMENTTHERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH THE PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

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TY 2011 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTTHE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND BERRY L. MILLER (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS FOR 3 YEARS UNLESS TERMINATED SOONER. THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT. OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIAN IN SELECTING BENEFITS ON : LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.B) NON-COMPETE AGREEMENTTHERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH THE PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

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TY 2011 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTTHE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND NICHOLAS L. RICO (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS FOR 3 YEARS UNLESS TERMINATED SOONER. THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT. OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIAN IN SELECTING BENEFITS ON : LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.B) NON-COMPETE AGREEMENTTHERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH THE PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493313014842

TY 2011 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND TERESA L. SMITH (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS FOR 3 YEARS UNLESS TERMINATED SOONER. THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT. OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIAN IN SELECTING BENEFITS ON : LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH THE PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.

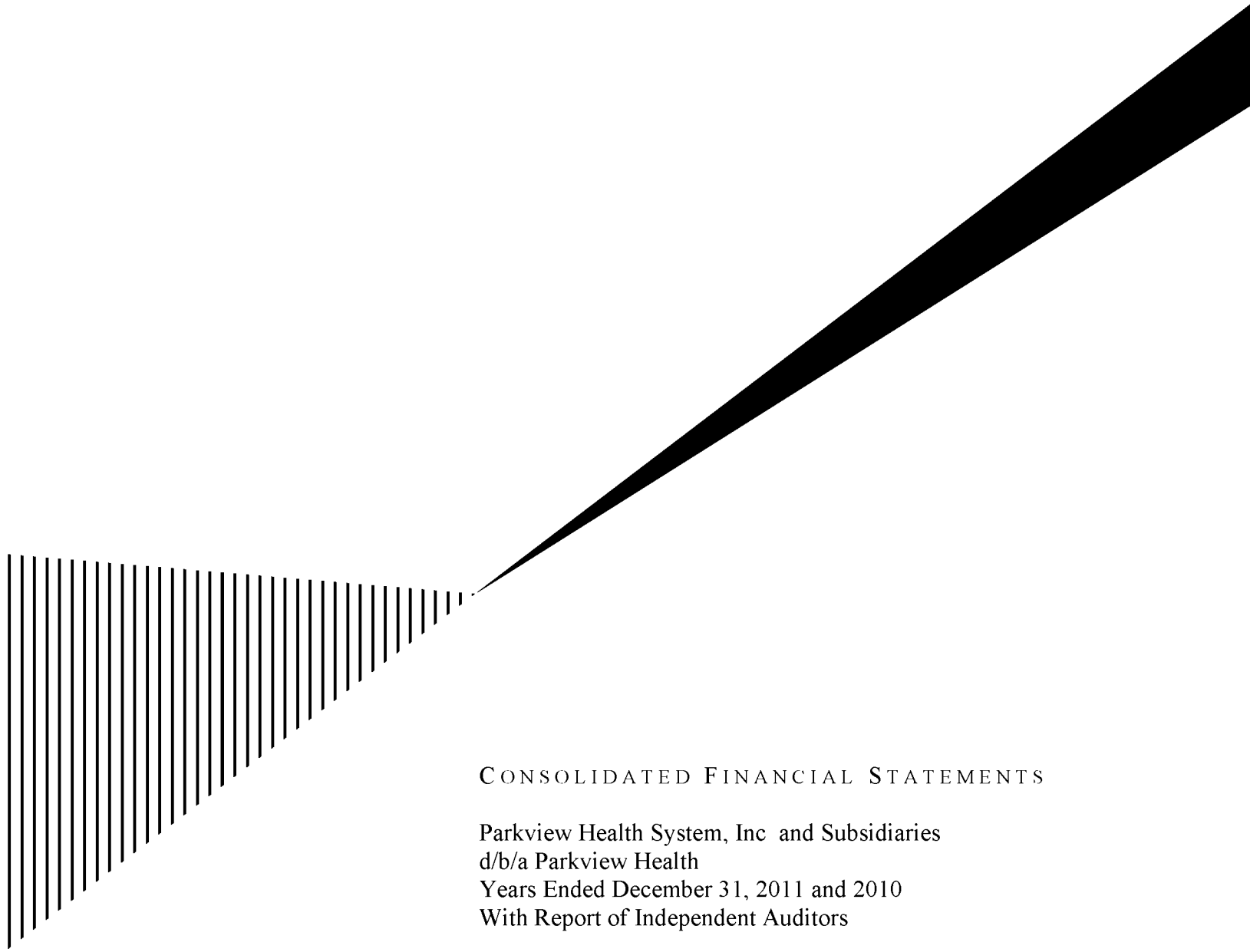
efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493313014842

TY 2011 Consideration Computation Statement

Name: PARKVIEW HEALTH SYSTEM INC

EIN: 35-1972384

Statement: A) EMPLOYMENT CONTRACTB) THE EMPLOYMENT CONTRACT IS BETWEEN PARKVIEW HEALTH SYSTEM, INC. (PURCHASER) AND TERRY L. SHIPE (OWNER/SELLER/PHYSICIAN). THE EMPLOYMENT CONTRACT IS FOR 3 YEARS UNLESS TERMINATED SOONER. THE COMPENSATION PORTION OF THE CONSIDERATION IS COMPUTED UTILIZING A MODEL THAT IDENTIFIES A FINANCIAL VALUE PER WRVU ("WORK RELATIVE VALUE UNIT"). THE RVU COMPENSATION METHODOLOGY WILL BE REVIEWED ANNUALLY AND REVISED, AS APPROPRIATE, DURING THE TERM OF THIS AGREEMENT. OTHER CONSIDERATION TO BE PAID BY PARKVIEW HEALTH SYSTEM, INC. WILL OR CAN BE DEPENDING ON THE DECISIONS/CHOICES OF THE PHYSICIAN IN SELECTING BENEFITS ON : LIFE INSURANCE, PROFESSIONAL INSURANCE, CONTINUING EDUCATION, LTD INSURANCE, LICENSING, RETIREMENT SAVINGS PLANS, AND CONNECTIVITY FEES. THE PREMIUMS CHARGED ON SOME OF THE ABOVE-STATED BENEFITS CAN ALSO FLUCTUATE ACCORDING TO COVERAGE AND PREMIUM ADJUSTMENTS.C) NON-COMPETE AGREEMENTD) THERE IS A NON-COMPETE AGREEMENT INCLUDED IN THE ASSET PURCHASE AGREEMENT, AND EXECUTED THROUGH THE PHYSICIAN EMPLOYMENT CONTRACT. THE NON-COMPETE AGREEMENT HAS A ZERO VALUE.



CONSOLIDATED FINANCIAL STATEMENTS

Parkview Health System, Inc and Subsidiaries
d/b/a Parkview Health
Years Ended December 31, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Financial Statements

Years Ended December 31, 2011 and 2010

Contents

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Report of Independent Auditors

The Board of Directors
Parkview Health System, Inc

We have audited the accompanying consolidated balance sheets of Parkview Health System, Inc and subsidiaries (the Corporation) as of December 31, 2011 and 2010, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended These financial statements are the responsibility of the Corporation's management Our responsibility is to express an opinion on these financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement We were not engaged to perform an audit of the Corporation's internal control over financial reporting Our audits included 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 Corporation'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, and evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Parkview Health System, Inc and subsidiaries at December 31, 2011 and 2010, and the consolidated results of their operations and changes in their net assets and their cash flows for the years then ended, in conformity with U S generally accepted accounting principles

As discussed in Note 2 to the consolidated financial statements, the Corporation adopted authoritative guidance issued by the Financial Accounting Standards Board related to presentation and disclosure of patient service revenue and provisions for bad debts

Ernst & Young LLP

April 19, 2012

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Balance Sheets
(In Thousands)

	December 31 2011	2010
Assets		
Current assets		
Cash and cash equivalents	**$ 19,153**	$ 21,209
Patient accounts receivable, less allowances for bad debts of $37,171 and $28,868 in 2011 and 2010, respectively	**128,046**	120,743
Inventories	**12,295**	10,915
Prepaid expenses and other current assets	**23,190**	20,566
Collateral from securities lending agreement *(Note 6)*	**6,040**	6,318
Total current assets	**188,724**	179,751
Investments *(Note 6)*		
Board-designated debt reserve and capital replacement funds	**490,325**	650,549
Securities pledged	**7,304**	7,660
Other investments	**133**	122
	497,762	658,331
Property and equipment *(Note 7)*		
Cost	**1,441,104**	1,223,956
Less accumulated depreciation and amortization	**506,510**	500,642
	934,594	723,314
Other assets		
Interest rate swaps	**5,596**	6,197
Deferred financing costs, net	**2,944**	3,146
Investments in joint ventures	**2,763**	4,237
Goodwill and intangible assets, net *(Note 3)*	**47,173**	45,735
Other assets	**20,543**	30,448
	79,019	89,763
Total assets	**$ 1,700,099**	$ 1,651,159

	December 31	
	2011	**2010**
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	**$ 73,251**	$ 71,424
Salaries, wages, and related liabilities	**60,665**	41,415
Accrued interest	**3,130**	2,944
Estimated third-party payor settlements	**6,513**	6,208
Payable under securities lending agreement *(Note 6)*	**7,482**	7,835
Current portion of long-term debt *(Note 8)*	**15,739**	32,250
Total current liabilities	**166,780**	162,076
Noncurrent liabilities		
Long-term debt, less current portion *(Note 8)*	**611,399**	596,091
Interest rate swaps *(Note 9)*	**85,450**	46,390
Accrued pension obligations *(Note 10)*	**57,544**	11,205
Other	**16,268**	13,359
	770,661	667,045
Net assets		
Parkview Health System, Inc	**743,146**	802,315
Noncontrolling interest in subsidiaries	**14,264**	14,926
Total unrestricted net assets	**757,410**	817,241
Temporarily restricted net assets	**4,346**	4,020
Permanently restricted net assets	**902**	777
Total net assets	**762,658**	822,038
Total liabilities and net assets	**$ 1,700,099**	$ 1,651,159

See accompanying notes.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Operations and Changes in Net Assets

(In Thousands)

	Year Ended December 31	
	2011	**2010**
Revenues		
Patient service revenue (net of contractual allowances and discounts)	**$ 954,907**	$ 808,283
Provision for bad debts	**(84,618)**	(55,701)
Net patient service revenue, less provision for bad debts	**870,289**	752,582
Other revenue	**52,193**	23,466
	922,482	776,048
Expenses		
Salaries and benefits	**489,685**	413,898
Supplies	**121,989**	115,524
Purchased services	**119,535**	97,446
Utilities, repairs, and maintenance	**39,463**	35,242
Depreciation and amortization	**49,864**	50,556
Other	**31,759**	30,584
	852,295	743,250
Operating income before impairment charges	**70,187**	32,798
Write-down of asset due to impairment *(Note 7)*	**(7,736)**	(4,385)
Operating income	**62,451**	28,413
Nonoperating income (expense)		
Interest, dividends, and realized gains on sales of investments, net *(Note 6)*	**11,864**	16,588
Unrealized (losses) gains on investments, net *(Note 6)*	**(23,040)**	27,381
Interest expense	**(10,155)**	(21,606)
Realized and unrealized losses on interest rate swaps, net	**(39,787)**	(17,880)
Other *(Note 2)*	**(3,823)**	(878)
(Deficit) excess of revenues over expenses	**(2,490)**	32,018
Excess of revenues over expenses attributable to noncontrolling interest in subsidiaries	**9,556**	8,623
(Deficit) excess of revenues over expenses attributable to Parkview Health System, Inc and subsidiaries	**$ (12,046)**	$ 23,395

See accompanying notes

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

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

(In Thousands)

	Year Ended December 31, 2011		
	Total	Controlling Interest	Noncontrolling Interest
Unrestricted net assets			
(Deficit) excess of revenues over expenses	$ (2,490)	$ (12,046)	$ 9,556
Distributions to noncontrolling interests	(10,218)	–	(10,218)
Pension-related changes other than net periodic pension cost	(46,714)	(46,714)	–
Other	(409)	(409)	–
Decrease in unrestricted net assets	(59,831)	(59,169)	(662)
Temporarily restricted net assets			
Contributions	705	705	–
Investment income	40	40	–
Net assets released from restrictions	(707)	(707)	–
Other	288	288	–
Increase in temporarily restricted net assets	326	326	–
Permanently restricted net assets			
Contributions	125	125	–
Increase in permanently restricted net assets	125	125	–
Decrease in net assets	(59,380)	(58,718)	(662)
Net assets at beginning of year	822,038	807,112	14,926
Net assets at end of year	$ 762,658	$ 748,394	$ 14,264

See accompanying notes

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

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

(In Thousands)

	Year Ended December 31, 2010		
	Total	Controlling Interest	Noncontrolling Interest
Unrestricted net assets			
Excess of revenues over expenses	$ 32,018	$ 23,395	$ 8,623
Distributions to noncontrolling interests	(8,059)	–	(8,059)
Pension-related changes other than net periodic pension cost	3,309	3,309	–
Other	(2,044)	(2,056)	12
Increase in unrestricted net assets	25,224	24,648	576
Temporarily restricted net assets			
Contributions	508	508	–
Investment income	74	74	–
Net assets released from restrictions	(527)	(527)	–
Other	227	227	–
Increase in temporarily restricted net assets	282	282	–
Increase in net assets	25,506	24,930	576
Net assets at beginning of year	796,532	782,182	14,350
Net assets at end of year	$ 822,038	$ 807,112	$ 14,926

See accompanying notes

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended December 31	
	2011	**2010**
Operating activities		
(Decrease) increase in net assets	**$ (59,380)**	$ 25,506
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities		
Provision for bad debts	**84,618**	55,701
Depreciation and amortization	**49,864**	50,556
Unrealized loss on interest rate swaps	**39,660**	17,837
Amortization of deferred financing costs and discount	**468**	480
Loss from disposal of property and equipment	**442**	440
Write-down of assets due to impairment	**7,736**	4,385
Pension-related changes other than net periodic pension cost	**46,714**	(3,309)
Changes in operating assets and liabilities		
Patient accounts receivable	**(91,921)**	(40,528)
Inventories	**(1,380)**	82
Prepaid expenses and other current assets	**(2,243)**	14,438
Trading securities	**160,570**	153,423
Accounts payable, accrued expenses, and other current liabilities	**20,911**	3,900
Estimated third-party payor settlements	**305**	(164)
Accrued pension obligations	**(375)**	(8,774)
Collateral returned (posted) on swaps	**13,979**	(17,080)
Other	**6,797**	8,089
Net cash provided by operating activities	**276,765**	264,982
Investing activities		
Property and equipment additions, net	**(266,753)**	(280,701)
Business acquisitions	**(824)**	(16,972)
Proceeds from sale of property and equipment	**378**	195
Net cash used in investing activities	**(267,199)**	(297,478)
Financing activities		
Principal payments of long-term debt	**(11,961)**	(10,720)
Proceeds from issuance of long-term debt	**13,565**	29,337
Distributions to noncontrolling interests	**(10,218)**	(8,059)
Other	**(3,008)**	266
Net cash (used in) provided by financing activities	**(11,622)**	10,824
Decrease in cash and cash equivalents	**(2,056)**	(21,672)
Cash and cash equivalents at beginning of year	**21,209**	42,881
Cash and cash equivalents at end of year	**$ 19,153**	$ 21,209

Supplemental disclosures of cash flow information

The Corporation entered into capital lease obligations in the amounts of $370 and $32 for new equipment in 2011 and 2010, respectively

See accompanying notes

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Years Ended December 31, 2011 and 2010

1. Organization

Nature of Operations

Parkview Health System, Inc , d/b/a Parkview Health (PH or the Corporation), is a health care system that provides services in northeast Indiana PH's mission is to provide quality health care services to all who entrust their care to PH and to improve the health of the community Services provided by PH include acute, nonacute, and tertiary care services on an inpatient, outpatient, and emergency basis, managed care contracting, health care diagnostics, and treatment services for individuals and families, home health care, and behavioral health care The principal operating activities of PH are conducted by wholly owned or controlled affiliates and subsidiaries

PH is the sole corporate member of Parkview Hospital, Inc (PVH), which operates Parkview Hospital, a 512-bed acute care hospital located in Fort Wayne, Indiana Until recently, PVH operated Parkview North Hospital, a 108-bed acute care hospital Effective March 17, 2012, the new Parkview Regional Medical Center (PRMC) opened on the north campus PRMC, including the existing Parkview North Hospital, now offers a total of 401 beds on the north campus PH is the majority owner (60%) of the Orthopaedic Hospital at Parkview North LLC (ORTHO), which is a for-profit joint venture hospital with a large orthopaedic physician group ORTHO operates the Orthopaedic Hospital, a 36-bed orthopaedic specialty hospital In addition, PH is the sole corporate member of Huntington Memorial Hospital, Inc , Whitley Memorial Hospital, Inc , Community Hospital of Noble County, Inc , and Community Hospital of LaGrange County, Inc , each of which operates an acute care community hospital and related facilities in the northeast region of Indiana These hospitals are collectively the "Hospital Affiliates "

PH and PVH are the sole members of Managed Care Services, LLC, which provides third-party administrative services to PH's employee health plan, as well as a preferred provider organization network of providers to self-funded employers, and assumes risk on a capitated Medicaid program through MDwise

1. Organization (continued)

Parkview Physicians Group (PPG), a division of PH, is a multidisciplinary group of employed physicians PPG was developed to enhance the delivery of quality health care services in northeast Indiana and northwest Ohio Disciplines represented in PPG include primary care, ob-gyn, orthopaedics, colon and rectal surgery, cardiovascular surgery, general surgery, hospitalists/intensivists, podiatry, psychiatry, urology, cardiology, pulmonology and critical care, gastroenterology, rheumotology, and physiatry PPG is the largest physician group headquartered in northeast Indiana

The legal entity names, marketing brand names, and the acronyms for each significant entity within PH are as follows

Legal Name	Marketing Brand (d/b/a) Name	Acronym
Parkview Health System, Inc	Parkview Health, including Parkview Physicians' Group	PH and PPG
Parkview Hospital, Inc	Parkview Hospital	PVH
Orthopaedic Hospital at Parkview North, LLC	Parkview Ortho Hospital	ORTHO
Huntington Memorial Hospital	Parkview Huntington Hospital	PHH
Whitley Memorial Hospital, Inc	Parkview Whitley Hospital	PWH
Community Hospital of Noble County, Inc	Parkview Noble Hospital	PNH
Community Hospital of LaGrange County, Inc	Parkview LaGrange Hospital	PLH
Managed Care Services, LLC	Managed Care Services	MCS
Parkview Foundation, Inc	Parkview Foundation	PVHF
Whitley Memorial Hospital Foundation, Inc	Parkview Whitley Hospital Foundation	PWHF
Community Hospital of Noble County Foundation, Inc	Parkview Noble Hospital Foundation	PNHF
Huntington Memorial Hospital Foundation, Inc	Parkview Huntington Hospital Foundation	PHHF

Transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as net patient care service revenue Other transactions are included with other revenue Other revenue includes rentals of medical office buildings, capitation revenues, investment income from affiliated foundations, and equity income of unconsolidated subsidiaries and joint ventures

Changes in Reporting Entity

During 2011 and 2010, PH acquired several physician groups for a total purchase price of $824 and $16,972, respectively The groups are included in PPG

1. Organization (continued)

Community Benefits and Charity Care

The Corporation provides programs and services to address the needs of those in the communities it serves with limited financial resources, generally at no, or low, cost to those being served Additional services are provided to beneficiaries of governmental programs (principally those relating to the Medicare and Medicaid programs) at substantial discounts from established rates and are considered part of the Corporation's benefit to the communities

Assistance is also provided as needed to patients and their families for the submission of forms for insurance, financial counseling, and application to the Medicare and Medicaid programs for health service coverage The costs of providing these programs and services are included in expenses

Consistent with the Corporation's mission, care is provided to patients regardless of their ability to pay Patients who meet certain criteria for charity care are provided care without charge or at amounts less than established rates Such amounts determined to qualify as charity care are not reported as revenue Records are maintained to identify and monitor the level of charity care provided at the amount of standard charges foregone for services and supplies furnished The cost of charity care provided in 2011 and 2010 approximates $17,673 and $21,529, respectively The Corporation estimated these costs by calculating a ratio of cost to gross charges and then multiplying that ratio by the gross uncompensated charges associated with providing care to charity patients Included in the Corporation's charity care policy is a discount for uninsured patients

PVH and each of the community hospitals administer community benefit programs for the areas in which they serve PVH targets $3,000 annually for community benefit, while the community hospitals each target 10% of their excess of revenues over expenses annually to be designated for community benefit in their respective communities These funds are controlled by the hospitals, and contributions made as part of their community benefit program are under the direction of their respective Boards of Directors (the Boards) The hospitals have a long tradition of community involvement, and their community benefit programs reflect their commitment and support to their respective communities and counties

1. Organization (continued)

The Corporation and its subsidiaries have a commitment to improving the health of the citizens of the communities served In all locations, PH has made a concerted effort to identify opportunities to partner with local organizations and to develop initiatives to improve the health of these communities Health fairs and screenings are common efforts to identify problems before they become serious or life-threatening Affiliates often partner with local organizations for community education, including the Minority Health Coalition, American Lung Association, SuperShot, YMCA, YWCA, Health Information Link, and American Heart Association PH provides subsidies for the emergency medical services of the counties where its four community hospitals reside An association with Fort Wayne Community Schools has provided nursing services, dental care, and physicals to needy children PH donations support nursing programs at Indiana University-Purdue University of Fort Wayne and the University of St Francis Efforts have helped provide health care to the medically underserved through support of the Neighborhood Health Clinic and Matthew 25 PH affiliates have supported homeless shelters, women's crisis shelters, safety councils, senior transportation programs, and poison control programs Awareness and prevention programs dealing with safety, trauma, drugs, and alcohol are projects of PH

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of PH and all majority-owned or controlled subsidiaries Significant intercompany accounts and transactions have been eliminated in consolidation The equity method of accounting is used for investments in joint ventures, partnerships, and companies where control or ownership is 20% to 50% The Corporation does not have any investments in joint ventures, partnerships or companies with ownership less than 20% For the years ended December 31, 2011 and 2010, PH's share of income recorded using the equity method approximated $2,145 and $1,895, respectively, and is recorded as other revenue in the consolidated statements of operations and changes in net assets

2. Significant Accounting Policies (continued)

Use of Estimates

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

Cash and Cash Equivalents

Investments in highly liquid debt instruments with a maturity of three months or less when purchased, excluding amounts classified with Board-designated investments, are considered cash equivalents The Corporation routinely invests in money market mutual funds These funds generally invest in highly liquid U S government and agency obligations Financial instruments that potentially subject the Corporation to concentrations of credit risk include the Corporation's cash and cash equivalents The Corporation places its cash and cash equivalents with institutions with high credit quality However, at certain times, such cash and cash equivalents may be in excess of government-provided insurance limits

Patient Accounts Receivable, Estimated Third-Party Payor Settlements, and Net Patient Service Revenue

Patient accounts receivable and net patient service revenue are reported at the estimated net realizable amounts due from patients, third-party payors (including insurers), and others for services rendered and include estimated retroactive revenue adjustments due to settlement of 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 settled and are no longer subject to such audits, reviews, and investigations

The Corporation grants credit to patients without requiring collateral or other security for the delivery of health care services However, assignment of benefit payments payable under patients' health insurance programs and plans (e g , Medicare, Medicaid, health maintenance organizations, and commercial insurance policies) is routinely obtained, consistent with industry practice

2. Significant Accounting Policies (continued)

The Corporation's estimation of the allowance for doubtful accounts is based primarily upon the type and age of the patient accounts receivable and the effectiveness of collection efforts PH's policy is to reserve a portion of all self-pay receivables, including amounts due from the uninsured and amounts related to co-payments and deductibles, as charges are recorded Accounts receivable balances are reviewed monthly as to the effectiveness of PH's reserve policies and various analytics to support the basis for its estimates These efforts primarily consist of reviewing the following historical write-off and collection experience using a hindsight, or look-back, approach, revenue and volume trends by payor, particularly the self-pay components, changes in the aging and payor mix of accounts receivable, including increased focus on accounts due from the uninsured and accounts that represent co-payments and deductibles due from patients, cash collections as a percentage of net patient revenue less bad debt expense, trending of days revenue in accounts receivable, and various allowance coverage statistics

Inventories

Inventories consist primarily of drugs and supplies, are stated at the lesser of cost or market, and are valued using the average cost method

Investments

Investments in equity and debt securities are measured at fair value With respect to hedge funds, these investments are recorded under the equity method of accounting, based on information provided by the funds' managers Generally, the net asset value (NAV) reflects the contributed capital, as well as an allocated share of the underlying limited partnership's realized and unrealized gains and losses The fair value of underlying investments held by the limited partnerships is determined by the respective general partners

Investment income or loss (including realized gains and losses on the sale of investments, unrealized gains and losses on investments, and changes in the carrying value of hedge funds), with the exception of investment income or loss, as defined, related to the various PH foundations, is reported as other nonoperating income (expense) unless the income is restricted by donor or law Investment income or loss apportioned to the foundations is reported in other operating revenue The cost of securities sold is based on the specific-identification method

2. Significant Accounting Policies (continued)

Board-designated funds represent certain funds from operations and other sources designated by the Board to be used for future capital asset replacement, for the retirement of long-term debt, and for other purposes The Board retains control over these investments and may, at its discretion, subsequently designate the use of these investments for other purposes Funds are invested in accordance with Board-approved policies, which, among other matters, require diversification of the investment portfolio, establish credit risk parameters, and limit the investment in any single organization Substantially all investment transactions are managed by professional investment managers and are held in custody at a financial institution All Board-designated funds are classified as trading securities, with the exception of land held as an investment

Investment securities purchased and sold are reported based on trade date Due to the period lag between the trade and settlement date, PH reports receivables for securities sold but not settled and reports liabilities for securities purchased but not settled These receivables and payables are settled from within the investment portfolio and are presented on a net basis within investments in the consolidated balance sheets

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at date of donation Interest costs incurred as part of the related construction are capitalized during the period of construction Depreciation is provided on a straight-line basis over the expected useful lives of the various classes of assets Estimated useful lives range from 5 to 25 years for land improvements, 5 to 40 years for buildings, and 3 to 15 years for equipment Amortization of capital leased assets is included within depreciation expense

2. Significant Accounting Policies (continued)

Goodwill

PH records goodwill arising from a business combination as the excess of purchase price and related costs over the fair value of identifiable tangible and intangible assets acquired and liabilities assumed PH annually reviews, as of the first day of the fourth quarter, the carrying value of goodwill for impairment In addition, a goodwill impairment assessment is performed if an event occurs or circumstances change that would make it more likely than not that the fair value of a reporting unit is below its carrying amount Management has determined that the Corporation is the reporting unit at which fair value is measured If such circumstances suggest that the recorded amounts of goodwill cannot be recovered, the carrying value is reduced to fair value If the carrying value of the goodwill is impaired, a material charge may be incurred to results of operations

Intangible Assets

Costs allocated to customer relationships and other intangible assets are based on their fair value at the date of acquisition The cost of intangible assets is amortized on a straight-line basis over the assets' estimated useful life ranging from 3 to 20 years

Impairment

Fixed assets and amortizable intangible assets are reviewed for impairment whenever conditions indicate that the carrying amount may not be recoverable In evaluating the recoverability of long-lived assets, such assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets Such impairment tests compare estimated undiscounted cash flows to the recorded value of the asset If an impairment is indicated, the asset is written down to its fair value, and a corresponding loss is recorded

Derivative Financial Instruments

PH investment fund managers may use derivative financial instruments in the investment portfolio to moderate changes in value due to fluctuations in financial markets PH has not designated its derivatives related to marketable securities as hedges, and the change in fair value of these derivatives is recognized as a component of unrealized gains (losses) on investments, net

2. Significant Accounting Policies (continued)

As part of its debt management program, the Corporation has entered into several interest rate swap arrangements Derivative instruments are recognized as either assets or liabilities in the consolidated balance sheets at fair value The Corporation does not account for any of its interest rate swap agreements as hedges, and accordingly, changes in the fair value of interest rate swap agreements are recorded in the consolidated statements of operations and changes in net assets as nonoperating income (expense) Included in other nonoperating income (expense) in the consolidated statements of operations and changes in net assets are net settlement payments on interest rate swaps

Pension Plans

PH's retirement program, called Trusted Choices Retirement Program, offers a defined contribution plan Contributions to the defined contribution plan are based upon benefit service points and a combination of age and years of benefit service Contributions are calculated as a percentage of eligible pay In addition, active employees at December 31, 2004, were provided a one-time choice to remain in PH's defined benefit plan or freeze their defined benefit plan benefits and move to the employer funded defined contribution plan Definitions of eligibility, pay, benefit service, and vesting under the defined benefit plan are the same as the defined contribution plan

In addition to participation in the defined contribution plan and/or defined benefit plan, eligible employees are provided a voluntary opportunity to participate in a 403(b) or a 401(k) plan based upon the tax status of the employing corporation The 403(b) and 401(k) plans have match provisions Benefits for eligible employees are based on the employee's compensation

Income Taxes

The Internal Revenue Service has determined that the Corporation and certain affiliated entities are tax-exempt organizations as defined in Section 501(c)(3) of the Internal Revenue Code Certain subsidiaries of the Corporation are taxable entities, the tax expense and liabilities of which are not material to the consolidated financial statements

2. Significant Accounting Policies (continued)

Performance Indicator

Excess of revenues over expenses as reflected in the accompanying consolidated statements of operations and changes in net assets includes operating income and nonoperating income and expense Contributions of long-lived assets, pension-related changes, net assets released from restriction, and distributions to noncontrolling interests are excluded from excess of revenues over expenses

Operating and Nonoperating Income (Expense)

Activities directly associated with the furtherance of PH's mission are considered operating activities Other activities that result in gains or losses peripheral to PH's primary mission are considered to be nonoperating Nonoperating activities include interest, dividends, and realized gains (losses) on sales of investments, net, unrealized gains (losses) on investments, net, interest expense, realized and unrealized gains (losses) on interest rate swaps, net, and other

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity Investment return is allocated to unrestricted and temporarily restricted net assets based on the respective net asset balances and the wishes of the donor The net assets are generally restricted for indigent and other patient services, medical education and research programs, facilities, and medical supplies and equipment

Reclassifications

Certain 2010 amounts were reclassified to conform to the 2011 presentation Such reclassifications had no effect on previously reported excess of revenues over expenses or net assets

2. Significant Accounting Policies (continued)

Distributions

Certain consolidated subsidiaries of PH have members who hold a noncontrolling ownership interest Upon authorization for the Boards of those subsidiaries, cash available for distribution, or a portion thereof, arising from operations may be distributed to PH and the noncontrolling members ratably in accordance with the members' respective membership interests

Adoption of New Accounting Standards

In January 2010, accounting guidance was issued to further expand disclosure requirements related to fair value measurements Additional disclosures under this guidance include disclosing transfers in and out of Level 1 and Level 2 fair value measurements and the reasons for those transfers, valuation techniques, and inputs used to measure Level 2 and Level 3 fair value measurements, and purchases, sales, issuances, and settlements separately within the Level 3 fair value measurements rollforward PH adopted this guidance effective January 1, 2010, except for the disclosure of rollforward activities for Level 3 fair value measurements, which was adopted and effective January 1, 2011 (see Note 4)

In July 2011, accounting guidance was issued to provide financial statement users with greater transparency about a health care entity's net patient service revenue and the related allowance for doubtful accounts The guidance requires health care entities that recognize significant amounts of patient service revenue at the time the services are rendered, even though they do not assess the patient's ability to pay, to reclassify the provision for bad debts related to patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts) on their statement of operations Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts The standard also requires disclosures of patient service revenue by major payor source as well as qualitative and quantitative information about changes in the allowance for uncollectible accounts PH early adopted the provisions of this standard as of and for the year ended December 31, 2011, and retrospectively applied the presentation requirements to all periods presented The change in presentation and additional disclosures are reflected in the Corporation's consolidated statements of operations and changes in net assets and in Note 5 Adoption of the new guidance had no effect on previously reported excess of revenues over expenses or net assets

2. Significant Accounting Policies (continued)

In August 2010, guidance was issued to minimize the diversity in practice that has developed on how health care entities account for malpractice claims or similar liabilities and related insurance recoveries and eliminates the practice of netting claim liabilities with expected insurance recoveries Gross presentation reflects that the health care entity remains obligated for the claim and that the entity is exposed to credit risk from the insurer This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010 PH adopted the provisions of this standard on January 1, 2011 The adoption had no effect on previously reported excess of revenues over expenses or net assets (see Note 11)

In August 2010, guidance was issued to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care Charity care has been measured both as a basis of cost and a function of revenue This guidance requires that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care The method used to identify or determine such costs is required to be disclosed This guidance is effective for fiscal years beginning after December 15, 2010, and should be applied retrospectively PH adopted the provisions of this standard on January 1, 2011, and retrospectively applied the provisions to all periods presented As PH does not recognize revenue when charity care is provided, the adoption had no effect on previously reported excess of revenues over expenses or net assets (see Note 1 for the additional disclosures required)

In September 2011, guidance was issued that amends Accounting Standards Codification (ASC) 350, *Intangibles – Goodwill and Other*, and permits entities to make a qualitative assessment of whether a reporting unit's fair value is, more likely than not, less than its carrying amount If an entity concludes it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, the entity is not required to perform the two-step impairment test for that reporting unit The update is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011, with early adoption permitted PH early adopted this guidance and concluded it is more likely than not that the fair value of the reporting units is greater than their carrying amount, and the entity was not required to perform the two-step impairment test

(Dollars in Thousands)

3. Goodwill and Intangible Assets

The following tables summarize goodwill and other intangibles as of December 31, 2011 and 2010

Goodwill balance at January 1, 2010	$ 38,629
Acquisitions	4,339
Goodwill balance at December 31, 2010	42,968
Acquisitions	**1,468**
Goodwill balance at December 31, 2011	**$ 44,436**

	December 31, 2011		December 31, 2010	
	Original Amount	Accumulated Amortization	Original Amount	Accumulated Amortization
Intangible assets	**$ 3,323**	**$ 586**	$ 3,178	$ 411

Amortization expense of $175 and $98 was recognized in 2011 and 2010, respectively, and is included in depreciation and amortization expense in the consolidated statements of operations and changes in net assets

During the year ended December 31, 2010, PH acquired several physician groups The business combinations were recorded using the purchase accounting method Goodwill of $4,339 was recognized upon purchase, which represents the excess of purchase price over identifiable assets and liabilities During the year ended December 31, 2011, PH acquired additional physician practices The business combinations were recorded using the purchase accounting method Goodwill of $255 was recognized upon purchase, which represents the excess of purchase price over identifiable assets and liabilities In addition, goodwill of $1,213 was recognized as a result of a reassessment of the purchase accounting allocation of a prior year acquisition

4. Fair Value Measurement

ASC 820, *Fair Value Measurement*, defines fair value and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value Fair value is the price 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 hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement)

Certain of PH's financial assets and financial liabilities are measured at fair value on a recurring basis, including money market funds, fixed income and equity instruments, and interest rate swap contracts The three levels of the fair value hierarchy and a description of the valuation methodologies used for instruments measured at fair value are as follows

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date

Level 2 – Pricing inputs other than quoted prices included in Level 1 that are either directly observable or that can be derived or supported from observable data as of the reporting date

Level 3 – Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are not observable from objective sources In evaluating the significance of inputs, management generally classifies assets or liabilities as Level 3 when their fair value is determined using unobservable inputs that individually, or in the aggregate, represent more than 10% of the fair value of the assets or liabilities These inputs may be used with internally developed methodologies that result in management's best estimate of fair value

(Dollars in Thousands)

4. Fair Value Measurement (continued)

The fair value of financial assets and liabilities measured at fair value on a recurring basis was determined using the following inputs at December 31, 2011

	Total	Level 1	Level 2	Level 3
Assets				
Investments				
Cash and short-term investments	$ 36,791	$ 36,791	$ –	$ –
U S government and agency obligations	49,460	31,150	18,310	–
Corporate bonds	57,849	–	57,849	–
Mortgage- and asset-backed securities	14,280	–	14,280	–
Domestic equities	68,218	58,966	9,252	–
International equities	19,376	–	19,376	–
Mutual funds				
Equity type	119,644	119,644	–	–
Fixed income type	71,896	–	71,896	–
Total investments	437,514	246,551	190,963	–
Deferred compensation plan assets – mutual funds	9,826	9,826	–	–
Interest rate swaps	5,596	–	5,596	–
Collateral from securities lending program – cash and short-term investments	6,040	–	6,040	–
Total assets	$ 458,976	$ 256,377	$ 202,599	$ –
Liabilities				
Interest rate swaps	$ (85,450)	$ –	$ –	$ (85,450)
Total liabilities	$ (85,450)	$ –	$ –	$ (85,450)

(Dollars in Thousands)

4. Fair Value Measurement (continued)

The fair value of financial assets and liabilities measured at fair value on a recurring basis was determined using the following inputs at December 31, 2010

	Total	Level 1	Level 2	Level 3
Assets				
Investments				
Cash and short-term investments	$ 22,683	$ 14,975	$ 7,708	$ –
U S government and agency obligations	119,503	116,490	3,013	–
Corporate bonds	44,820	–	44,820	–
Mortgage- and asset-backed securities	15,824	–	15,824	–
Domestic equities	63,063	58,149	4,914	–
International equities	29,597	–	29,597	–
Mutual funds				
Equity type	126,441	126,441	–	–
Fixed income type	173,433	–	173,433	–
Total investments	595,364	316,055	279,309	–
Deferred compensation plan assets – mutual funds	7,198	7,198	–	–
Interest rate swaps	6,197	–	6,197	–
Collateral from securities lending program – cash and short-term investments	6,318	–	6,318	–
Total assets	$ 615,077	$ 323,253	$ 291,824	$ –
Liabilities				
Interest rate swaps	$ (46,390)	$ –	$ (46,390)	$ –
Total liabilities	$ (46,390)	$ –	$ (46,390)	$ –

4. Fair Value Measurement (continued)

Certain of PH's investments are made through alternative investments and private investment funds, primarily partnership trusts PH accounts for its ownership in these funds under the equity method, and as a result, investments totaling $52,632 and $55,260 as of December 31, 2011 and 2010, respectively, are excluded from the fair value disclosure Deferred compensation plan assets are included in other assets in the consolidated balance sheets

PH held real estate for investment purposes of $20,415 and $23,655 as of December 31, 2011 and 2010, respectively, which are accounted for at cost and assessed for impairment when indicators exist The real estate is written down to fair value as estimated by third-party valuation experts when impairment exists, with losses recorded in realized gains (losses) on investments in the consolidated statements of operations and changes in net assets In 2011 and 2010, PH recorded realized losses related to its real estate investments of $1,016 and $114, which are nonrecurring fair value measurements using level 3 inputs

Following is a description of the Corporation's valuation methodologies for assets and liabilities measured at fair value Fair value for Level 1 is based upon quoted market prices The fair values of other fixed income securities included in Level 2 are based on quoted market prices for similar assets The fair values of the interest rate swap contracts are determined based on the present value of expected future cash flows using discount rates appropriate with the risks involved The valuations reflect a credit spread adjustment to the LIBOR discount curve in order to reflect the credit value adjustment for nonperformance risk The credit spread adjustments for liability position interest rate swap contracts included in Level 3 are internally valued using other comparably rated entities' bonds priced in the market

The carrying values for cash and cash equivalents, patient and other accounts receivable, accounts payable and accrued expenses, estimated third-party payor settlements, payable under securities lending agreements, and certain other current assets and liabilities are reasonable estimates of their fair value due to the short-term nature of these financial instruments

(Dollars in Thousands)

4. Fair Value Measurement (continued)

The carrying value of the Corporation's tax-exempt variable rate and other debt approximates fair value The fair value of the fixed rate debt (all of which is tax-exempt) is estimated using discounted cash flow analyses based on the Corporation's current incremental borrowing rates for similar types of borrowing arrangements, and falls in Level 2 of the fair value hierarchy The fair value of the Corporation's tax-exempt, fixed rate debt at December 31, 2011 and 2010, was $386,299 and $331,807, respectively, compared to book value of $303,550 and $312,930, respectively

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values Furthermore, while the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date

The following table is a rollforward of the consolidated balance sheet amounts for financial instruments classified by the Corporation within Level 3 of the valuation hierarchy defined above

	Financial Liabilities – Interest Rate Swaps
Fair value at January 1, 2011	$ –
Transfers into Level 3	**(85,450)**
Purchases	–
Sales or retirements	–
Unrealized gains included in excess of revenue over expenses	–
Fair value at December 31, 2011	**$ (85,450)**

PH transfers assets and liabilities in and/or out of Level 3 as significant inputs, including performance attributes, used for the fair value measurement become observable or unobservable

5. Net Patient Service Revenue

Certain agreements with third-party payors provide for payments at amounts different from established rates A summary of the payment arrangements with major third-party payors follows

Medicare: Certain inpatient care services are paid at prospectively determined rates per discharge based on clinical, diagnostic, and other factors Certain services are paid based on cost reimbursement methodologies subject to certain limits Physician services are reimbursed based upon established fee schedules Outpatient services are reimbursed using prospectively determined rates

Medicaid: Reimbursements for Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service, or per covered member

Other: Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates

Differences between established rates and payment under these agreements are reflected as contractual allowances

Medicare and Medicaid revenue accounted for approximately 32% and 8%, respectively, of patient service revenue (net of contractual allowances and discounts) for the year ended December 31, 2011, and approximately 30% and 6%, respectively, for the year ended December 31, 2010 Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation The Corporation believes that it is in substantial compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of wrongdoing While no such regulatory inquiries have been made, compliance with health care industry laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action,

(Dollars in Thousands)

5. Net Patient Service Revenue (continued)

including fines, penalties, and exclusion from the Medicare and Medicaid programs As a result, there is at least a reasonable possibility that recorded estimated settlements could change It is also reasonably possible that recorded settlements could change by a material amount in the near term PH received Medicare and Medicaid settlements and resolutions on prior year filed and appealed cost reports and other matters, which increased net patient service revenue by $540 and $3,060 in 2011 and 2010, respectively

The composition of patient service revenue (net of contractual allowances and discounts) by third-party payor for the year ended December 31 is as follows

	2011	2010
Medicare	**$ 309,755**	$ 240,295
Medicaid	**78,601**	48,814
Managed care and other insurers	**467,280**	457,977
Uninsured	**67,424**	48,286
Other	**31,847**	12,911
	$ 954,907	$ 808,283

The allowance for doubtful accounts was approximately $37,171 and $28,868 as of December 31, 2011 and 2010, respectively These balances as a percent of accounts receivable, net of contractual adjustments, were approximately 23% and 19% as of December 31, 2011 and 2010, respectively On a same hospital basis, the combined allowance for doubtful accounts, uninsured discounts, and charity care covered approximately 73% and 61% of combined uninsured and self-pay after insurance accounts receivable as of December 31, 2011 and 2010, respectively The increase in the allowance for doubtful accounts during the year ended December 31, 2011, was primarily the result of an increase in uninsured and self-pay after insurance accounts receivable from $61,960 of PH's total accounts receivable as of December 31, 2010, to $65,768 as of December 31, 2011

(Dollars in Thousands)

5. Net Patient Service Revenue (continued)

	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Accounts Written Off, Net of Recoveries and Other	Balance at End of Year
Allowance for doubtful accounts				
Year ended December 31, 2010	$ 33,737	$ 55,701	$ (60,570)	$ 28,868
Year ended December 31, 2011	**28,868**	**84,618**	**(76,315)**	**37,171**

Components of accounts receivable, net, at December 31, 2011 and 2010, include Medicare, 21% and 23%, respectively, Medicaid, 7% and 2%, respectively, commercial insurers, 58% and 63%, respectively, and other, 14% and 12%, respectively One managed care payor represented 22% and 23%, respectively, of patient accounts receivable at December 31, 2011 and 2010

(Dollars in Thousands)

6. Investments

The composition of investments is as follows

	December 31 2011	2010
Cash and short-term investments	**$ 36,791**	$ 22,683
Fixed income securities		
U S government and agency obligations	**49,460**	119,503
Corporate and other bonds	**57,849**	44,820
Mortgage- and asset-backed securities	**14,280**	15,824
Domestic equities	**68,218**	63,063
International equities	**19,376**	29,597
Mutual funds	**191,540**	299,874
Hedge funds	**52,632**	55,260
Real estate held for investment	**20,415**	23,655
Gross investment	**510,561**	674,279
Amounts due to brokers	**(28,264)**	(18,253)
Amounts due from brokers	**15,465**	2,305
Net investments	**$ 497,762**	$ 658,331

PH's investments are exposed to various kinds and levels of risk Fixed income securities expose PH to interest rate risk, credit risk, and liquidity risk As interest rates change, the value of many fixed income securities is affected, particularly those with fixed interest rates Credit risk is the risk that the obligor of the security will not fulfill its obligation Liquidity risk is affected by the willingness of market participants to buy and sell given securities

(Dollars in Thousands)

6. Investments (continued)

Equity securities expose PH to market risk, performance risk, and liquidity risk Market risk is the risk associated with major movements of the equity markets, both foreign and domestic Performance risk is the risk associated with a particular company's operating performance Liquidity risk, as previously defined, tends to be higher for international equities and small capitalization equity companies

Hedge funds are not necessarily readily marketable The funds often employ complex strategies, including short sales on securities and trading on future contracts, options, foreign currency contracts, other derivative instruments, and private equity investments, and the composition of the individual investments within these funds is not readily determinable The hedge fund investments are partnership interests in limited partnerships These investments are not publicly traded, and the NAV is based upon information provided by the fund manager The hedge funds have restrictions on the timing of withdrawals ranging from one to three months, which may reduce liquidity

The real estate investments are recorded at cost, less impairment charges recognized to date, and present valuation risks as they are not actively traded Additionally, these investments present a concentration of risk, as they are held within the same geographic region, northeast Indiana

The composition of investment return recognized in the consolidated statements of operations and changes in net assets is as follows

	Year Ended December 31	
	2011	**2010**
Investment income		
Unrealized (losses) gains on investments, net	**$ (23,352)**	$ 27,686
Dividend and interest income	**7,919**	11,547
Net realized gains on the sale of investments	**4,567**	6,026
Total investment return	**$ (10,866)**	$ 45,259
Included in other revenue	**$ 310**	$ 1,290
Included in interest, dividends, and realized gains on sales of investments, net	**11,864**	16,588
Included in unrealized (losses) gains on investments, net	**(23,040)**	27,381
Total investment return	**$ (10,866)**	$ 45,259

(Dollars in Thousands)

6. Investments (continued)

Securities Lending

The Corporation participates in securities lending transactions, whereby a portion of its investments are loaned to a broker in return for cash, letters of credit, or U S government securities from the broker as collateral for securities loaned The Corporation participates in a program with its trustee to reinvest the cash collateral received in other short-term investments The Corporation earns income on the collateral pledged while related securities are outstanding but has risk of loss on the collateral received due to the reinvestment program In the accompanying consolidated balance sheets, the fair value of securities purchased with the cash collateral held for loaned marketable securities was $6,040 and $6,318 at December 31, 2011 and 2010, respectively, and is reported as a current asset A payable for repayment of cash collateral received, upon settlement of the lending arrangement, is reported as other current liabilities of $7,482 and $7,835 at December 31, 2011 and 2010, respectively

7. Property and Equipment

The costs of property and equipment consist of the following

	December 31	
	2011	**2010**
Land and improvements	**$ 60,969**	$ 57,300
Buildings	**436,224**	412,245
Equipment	**436,121**	428,447
Construction-in-progress	**507,790**	325,964
	$ 1,441,104	$ 1,223,956

7. Property and Equipment (continued)

The cost of commitments to complete construction-in-progress projects is estimated to be $90,749 at December 31, 2011 Depreciation expense recorded in the consolidated statements of operations and changes in net assets was $45,547 and $47,074 at December 31, 2011 and 2010, respectively Amortization expense on capital leases recorded in the consolidated statements of operations and changes in net assets was $4,142 and $3,384 at December 31, 2011 and 2010, respectively Assets under capital leases at December 31, 2011 and 2010, were $19,200 and $21,065, respectively Accumulated amortization on capital leases at December 31, 2011 and 2010, was $15,894 and $16,128, respectively

During 2011, the Corporation committed to a plan of implementing an enterprise-wide electronic medical record system It was determined that a condition of impairment existed at that time for certain systems, some of whose useful lives were greatly diminished and others not yet put into production The total amount of impairment recognized during the year ended December 31, 2011, was $7,736

In December, 2010, it was determined that a condition of impairment existed for certain fixed assets of Parkview Whitley Hospital Operations at the old facility transferred to the new Parkview Whitley Hospital in October 2011, and plans are for the current hospital building to be razed The total amount of impairment reported during the year ended December 31, 2010, was $4,385

(Dollars in Thousands)

8. Long-Term Debt

Long-term debt consists principally of tax-exempt bonds as follows

Description	Interest Rates	December 31 2011	2010
Tax-exempt, variable rate demand bonds			
Series 2010A due through 2040	1 32%	**$ 26,465**	$ 12,900
Series 2009BCD due through 2031	0 06%–0 08%	**223,665**	223,665
Series 2007 due through 2032	0 90%	**22,495**	23,145
Series 2001 due through 2031	0 12%–0 19%	**17,325**	18,400
Tax-exempt, fixed rate serial and term bonds			
Series 2009A due through 2031	4 0%–5 88%	**249,395**	257,620
Series 1998 due through 2028	4 5%–5 4%	**54,155**	55,310
Various notes to banks	Various	**22,768**	24,286
Mortgages on real estate	Various	**12,219**	12,458
Other	Various	**303**	1,065
Capital leases	Various	**3,265**	4,811
		632,055	633,660
Less unamortized original issue discount		**4,917**	5,319
		627,138	628,341
Less current portion		**15,739**	32,250
		$ 611,399	$ 596,091

(Dollars in Thousands)

8. Long-Term Debt (continued)

The scheduled maturities and mandatory redemptions of long-term debt are as follows

Year ending December 31	
2012	$ 15,739
2013	14,891
2014	14,392
2015	13,978
2016	14,905
Thereafter	558,150
	$ 632,055

Total interest paid was approximately $22,900 in 2011 and $24,164 in 2010 Interest cost of $12,745 in 2011 and $2,558 in 2010 was capitalized as part of the cost of construction

Obligations Through Use of Master Indenture

PH and PVH have issued tax-exempt revenue, revenue refunding, and variable rate demand bonds through the use of a Master Indenture, as amended and supplemented The various agreements require PH and PVH not to incur indebtedness secured by an encumbrance and not to mortgage certain facilities except under certain circumstances The agreements require the maintenance of debt service coverage ratios and contain certain other restrictive covenants

On May 4, 2010, PH arranged for the issuance of up to $30,000 of variable rate, tax-exempt private placement bonds using the Master Indenture and through the Indiana Finance Authority The proceeds of the bonds and certain other funds of PH will be used to finance the construction and furnishing of the new Parkview Whitley Hospital The funds are being drawn as required through construction The amounts drawn through December 31, 2011 and 2010 were $26,465 and $12,900, respectively The bonds bear interest monthly, and interest is paid monthly

8. Long-Term Debt (continued)

In August 2009, PH and PVH issued $265,530 of fixed rate, tax-exempt revenue bonds (the Series 2009A Bonds) and $223,665 of variable rate, tax-exempt revenue bonds (the Series 2009B Bonds, the Series 2009C Bonds, and the Series 2009D Bonds), using the Master Indenture and through the Indiana Finance Authority The proceeds of the bonds were used to refund all but $19,425 of the outstanding Indiana Health Facility Financing Authority Revenue Bonds, Series 2001A, 2001B, and 2001C (collectively, the Series 2001 Bonds), refund all of the outstanding Indiana Health and Educational Facility Financing Authority Revenue Bonds, Series 2005A and 2005B (collectively, the Series 2005 Bonds), pay certain costs related to the termination of a portion of swaps related to the Series 2001 Bonds, pay costs of issuance and costs of refunding, and to finance, refinance, or reimburse certain costs for capital expenditures at the PVH facilities Interest on the Series 2009A Bonds is paid semiannually Interest on the Series 2009BCD Bonds bears interest weekly, and interest is paid monthly

During 2011, the three direct-pay Letters of Credit enhancing the 2009BCD Bonds were replaced PH entered into two direct-pay Letters of Credit agreements (the LOCs) issued by PNC Bank (Series 2009C Bonds) and Wells Fargo Bank (Series 2009B&D Bonds) to enhance the marketability of the bonds Under the terms of the LOCs, if bonds are not successfully remarketed and thereby purchased by the banks, the principal maturities of the bonds purchased are accelerated over the subsequent three-year period commencing at least one year and one day from the draw on the LOC, and PH would pay a defined rate, based on a formula in the agreements, at a minimum rate of 8 0% for the first 90 days after bank purchase, 9 0% for days 91 through 180, and 10 0% thereafter The current LOCs expire August 26, 2014 At December 31, 2011, all bonds had been successfully remarketed

8. Long-Term Debt (continued)

On March 15, 2007, PLH issued $24,930 of adjustable rate, tax-exempt revenue bonds The bonds were issued through the Indiana Health and Education Facility Financing Authority The proceeds of the Series 2007 Bonds and certain other funds of PLH were used to finance the construction and furnishing of a new hospital facility and to pay financing costs These Series 2007 Bonds bear interest at a weekly rate, and interest is paid monthly The Series 2007 Bonds are secured by an irrevocable direct-pay LOC issued by PNC Bank that matures on August 26, 2014 This LOC has a maximum rate of 15% At December 31, 2011, all bonds had been successfully remarketed The borrower's obligations under the bond documents are secured by a security interest in and lien upon all of the borrower's real and personal property

In November 2001, PH and PVH issued $220,000 of variable rate, tax-exempt auction revenue bonds (the Series 2001 Bonds) using the Master Indenture and through the Indiana Health Facility Financing Authority These Series 2001 Bonds auction every 28 days The bonds have a maximum rate of 15% Beginning in February 2008 and continuing through December 31, 2011, PH's Series 2001 Bonds failed to attract sufficient bids to be remarketed As a result of the failed auctions, interest rates are set based upon a formula contained in the bond documents The interest rate formula is based upon the 7-day AA Composite Commercial Paper rate times a factor This factor can vary from 125% to 225%, depending upon the credit rating of the bond The bond rating is equal to the rating of either the insurer of the debt or the issuer, whichever is higher At December 31, 2011 and 2010, the factor was 175% The Series 2001 Bonds are secured by a financial guaranty insurance policy provided by Ambac Assurance Corporation (Ambac) Ambac is rated Caa2 by Moody's, while PH has retained its Moody's rating of A1

In November 1998, PH and PVH issued $144,610 of fixed rate, tax-exempt revenue bonds (the Series 1998 Bonds) using the Master Indenture through the Hospital Authority of the City of Fort Wayne, Indiana The Series 1998 Bonds consist of serial and term bonds and require annual principal or mandatory sinking fund redemption, with interest payable semiannually

8. Long-Term Debt (continued)

Debt Guarantee

At December 31, 2011, the Corporation had guaranteed approximately $3,016 of certain outstanding debt obligations of unconsolidated entities If the unconsolidated entities default on their debt obligation, the Corporation would then be responsible for the obligation At December 31, 2011, the Corporation has no amounts accrued related to these guarantees

9. Interest Rate Swaps and Other Derivatives

PH uses a combination of interest rate swap agreements with the objective to mitigate the impact interest rate fluctuations have on its interest payments PH uses fixed payor, fixed spread basis, fixed receiver, and forward fixed payor contracts entered into with various third parties Interest rate swap contracts between PH and a third party (counterparty) provide for the periodic exchange of payments between the parties based on changes in a defined index and a fixed rate and include counterparty credit risk This is the risk that contractual obligations of the counterparties will not be fulfilled Concentrations of credit risk relate to groups of counterparties that have similar economic or industry characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions Counterparty credit risk is managed by requiring high credit standards for PH's counterparties The counterparties to these contracts are financial institutions that carry investment-grade credit ratings The interest rate swap contracts contain collateral provisions applicable to both parties to mitigate credit risk PH does not anticipate nonperformance by its counterparties The fair value of the certain fixed payor and fixed spread basis swaps obligations exceeded contractual thresholds and triggered the necessity of PH to post collateral with the counterparties Collateral required to be posted by PH totaled $6,407 and $20,386 at December 31, 2011 and 2010, respectively, and is included with other assets in the consolidated balance sheets PH's policy is to present the collateral on a gross basis in the consolidated balance sheets

(Dollars in Thousands)

9. Interest Rate Swaps and Other Derivatives (continued)

The following table is a summary of the outstanding positions under these interest rate swap agreements at December 31, 2011 and 2010

Expiration Date		PH Pays	PH Receives	Notional Amount December 31 2011	2010
2020–2031	(1)	3 47%–3 71%	67% of one-month LIBOR	$ **38,475**	$ 39,550
2028–2033	(1)	3 26%–3 49%	62 4% of one-month LIBOR + 0 29% margin	**100,340**	104,175
2028–2033	(2)	3 26%–3 49%	62 4% of one-month LIBOR + 0 29% margin	**75,000**	75,000
2011–2016	(2)	BMA/SIFMA Index	3 61%–4 0%	**60,000**	90,000
2037	(1)	3 81%	61 8% of one-month LIBOR + 0 31% margin	**148,850**	149,530
2014–2025	(3)	BMA/SIFMA Index	68% of one-month LIBOR + 0 37%–0 52% margin	**180,000**	180,000
				$ **602,665**	$ 638,255

(1) The objective of these interest rate swaps is to mitigate interest rate fluctuations and synthetically fix certain variable rate exposure

(2) The objective of these interest rate swaps is to create a basis swap

(3) The objective of this interest rate swap is to take advantage of yield curve differences and mitigate risk on future bond offerings This interest rate swap is not associated with outstanding debt

(Dollars in Thousands)

9. Interest Rate Swaps and Other Derivatives (continued)

The fair value of derivative instruments is as follows

Derivatives Not Designated as Hedging Instruments	Balance Sheet Classification	December 31 2011	2010
Interest rate swap	Other assets	**$ 5,596**	$ 6,197
Interest rate swap	Other liabilities	**(85,450)**	(46,390)
Total derivatives		**$ (79,854)**	$ (40,193)

The effects of derivative instruments on the consolidated statements of operations and changes in net assets are as follows

Derivatives Not Designated as Hedging Instruments	Location of Gain or Loss on Derivatives Recognized in Excess of Revenues Over Expenses	Amount of Gain or Loss on Derivatives Recognized in Excess of Revenue Over Expenses	
		December 31 2011	2010
Interest rate swap – unrealized gains (losses)	Realized and unrealized losses on interest rate swaps, net	**$ (39,787)**	$ (17,880)
Interest rate swap – net cash payments	Other – nonoperating	**(3,104)**	(1,466)
Investments	Interest, dividends, and realized gains on sales of investments, net	**–**	403
Total derivatives		**$ (42,891)**	$ (18,943)

Interest rate swap settlement payments, net were $8,204 and $7,670 in 2011 and 2010, respectively, of which $5,100 and $6,204 was capitalized as part of the cost of construction in 2011 and 2010, respectively

(Dollars in Thousands)

10. Pension Plans

Defined Benefit Pension Plan

The Corporation sponsors a noncontributory, defined benefit pension plan (the Plan) covering eligible employees employed prior to January 2005 Plan benefits are based on years of service and an employee's compensation during a consecutive five-year term of employment within the 10 years prior to benefit determination, which results in the highest earnings An employee became a plan participant upon reaching age 21 and completing at least one year of eligible service A year of eligible service is credited to an employee upon the completion of at least 1,000 hours of service in a calendar year The following table sets forth the funded status of the Plan and accrued pension obligation as of December 31, as actuarially determined

	December 31	
	2011	**2010**
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	**$ 293,733**	$ 259,842
Service cost	**8,415**	7,605
Interest cost	**16,474**	15,836
Actuarial loss	**32,231**	17,427
Benefits paid	**(7,979)**	(6,977)
Projected benefit obligation at end of year	**342,874**	293,733
Change in plan assets		
Plan assets at fair value at beginning of year	**282,528**	236,554
Actual return on plan assets	**2,181**	32,651
Corporation and subsidiary contributions	**8,600**	20,300
Benefits paid	**(7,979)**	(6,977)
Plan assets at fair value at end of year	**285,330**	282,528
Funded status of the Plan	**$ (57,544)**	$ (11,205)

(Dollars in Thousands)

10. Pension Plans (continued)

	Year Ended December 31	
	2011	**2010**
Items not yet recognized as a component of net periodic pension cost		
Net actuarial loss	**$ 116,158**	$ 69,268
Prior service cost	**276**	452
	$ 116,434	$ 69,720

Changes in plan assets and benefit obligation recognized in unrestricted net assets during 2011 and 2010 include

	Year Ended December 31	
	2011	**2010**
Unrecognized actuarial loss	**$ 52,153**	$ 3,067
Amortization of actuarial loss	**(5,263)**	(6,200)
Amortization of prior service cost	**(176)**	(176)
	$ 46,714	$ (3,309)

The actuarial loss and prior service cost included in unrestricted net assets and expected to be recognized in the net periodic pension cost during the year ended December 31, 2012, total $8,222 and $176, respectively

(Dollars in Thousands)

10. Pension Plans (continued)

	Year Ended December 31	
	2011	**2010**
Periodic benefit cost		
Service cost	**$ 8,415**	$ 7,605
Interest cost	**16,474**	15,836
Expected return on plan assets	**(22,123)**	(18,271)
Amortization of unrecognized net loss	**5,263**	6,200
Amortization of unrecognized prior service cost	**176**	176
Net periodic benefit cost	**$ 8,205**	$ 11,546

	December 31	
	2011	**2010**
Accumulated benefit obligation	**$ 314,800**	$ 267,476
Plan assets at fair value	**285,330**	282,528
Funded status (based on accumulated benefit obligation)	**$ (29,470)**	$ 15,052

The weighted-average assumptions used to determine benefit obligations at December 31 and net periodic benefit costs for the years then ended are as follows

	2011	**2010**
Assumptions – benefit obligations		
Discount rate	**4.98%**	5 69%
Expected return on plan assets	**8.00**	8 00
Rate of compensation increase	**3.50**	3 50
Assumptions – net periodic benefit cost		
Discount rate	**5.69%**	6 18%
Expected return on plan assets	**8.00**	8 00
Rate of compensation increase	**3.50**	3 50

(Dollars in Thousands)

10. Pension Plans (continued)

The amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the Plan The reduction in the discount rate between years resulted in an increase in the projected benefit obligation of $33,012

The principal long-term determinant of a portfolio's investment return is its asset allocation The Plan's allocation is weighted toward growth assets (60%) versus fixed income (40%) In addition, management believes its active strategies have added value relative to passive benchmark returns The expected long-term rate of return assumption is based on the mix of assets in the Plan, the long-term earnings expected to be associated with each asset class, and the additional return expected through active management This assumption is periodically benchmarked against peer plans

The Plan's weighted-average asset allocations at December 31, 2011 and 2010, by asset category, are as follows

	2011	2010
Equity securities	**57%**	59%
Debt securities	**40**	39
Short-term investments	**3**	2
Total	**100%**	100%

The Corporation's policy on investment allocation for the Plan consists of an allocation of 40% to 70% for growth investments and 30% to 60% for fixed income investments Within the growth investment classification, the Plan's asset strategy encompasses equity and equity-like instruments that are of both public and private market investments These equity and equity-like instruments are public equity securities that are well diversified and invested in U S and international companies

(Dollars in Thousands)

10. Pension Plans (continued)

The fair value of pension plan assets was determined using the following inputs at December 31, 2011

		Fair Value Measurements Using		
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Mutual funds				
Equities	**$ 163,186**	**$ 135,003**	**$ 28,183**	**$ –**
Fixed income	**114,626**	**114,626**	**–**	**–**
Guaranteed investment contract	**7,518**	**–**	**–**	**7,518**
	$ 285,330	**$ 249,629**	**$ 28,183**	**$ 7,518**

Fair value methodologies for Level 1 and Level 2 investments are consistent with the inputs described in Note 3 The fair value of the Level 3 interest in the guaranteed investment contract (GIC) is based on information reported by the issuer of the GIC at year-end

The fair value of pension plan assets was determined using the following inputs at December 31, 2010

		Fair Value Measurements Using		
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Mutual funds				
Equities	$ 165,468	$ 124,898	$ 40,570	$ –
Fixed income	110,123	110,123	–	–
Guaranteed investment contract	6,937	–	–	6,937
	$ 282,528	$ 235,021	$ 40,570	$ 6,937

(Dollars in Thousands)

10. Pension Plans (continued)

The following table is a rollforward of the pension plan assets classified within Level 3 of the valuation hierarchy

	Financial Assets – GIC
Fair value at January 1, 2010	$ 8,612
Purchases, issuances, and settlements	(2,003)
Actual return on plan assets	328
Fair value at December 31, 2010	6,937
Purchases, issuances, and settlements	**293**
Actual return on plan assets	**288**
Fair value at December 31, 2011	**$ 7,518**
Estimated future benefit payments	
2012	$ 9,510
2013	10,664
2014	11,902
2015	13,373
2016	14,845
2017–2019	101,255

The Corporation expects to contribute $10,000 to its defined benefit pension plan in 2012

10. Pension Plans (continued)

Defined Contribution and Other Pension Plans

Eligible employees hired after December 31, 2004, and employees who were active at December 31, 2004, and elected at that time to participate in the defined contribution plan and freeze their benefits in the defined benefit plan, participate in the defined contribution plan The accrued liability for the defined contribution pension plan is $11,047 and $9,915 at December 31, 2011 and 2010, respectively, and is recorded as a current liability on the consolidated balance sheets During 2011 and 2010, expense for this plan totaled $11,054 and $9,005, respectively, and is reported as salaries and benefits

Contributions to the tax-sheltered annuity and 401(k) plans are based on a percentage of eligible employee salaries, as defined The contributions for the tax-sheltered annuity and 401(k) plans were $6,932 and $5,741 in 2011 and 2010, respectively, and were reported as salaries and benefits

11. Malpractice Insurance

The Corporation and its affiliates are subject to pending and threatened legal actions that arise in the normal course of their activities Medical malpractice coverage is provided through a program of self-insurance and commercial insurance and considers limitations imposed by the Indiana Medical Malpractice Act, as amended (the Act) The Act limits the amount of individual claims to $1,250 (effective July 1, 1999), of which $1,000 would be paid by the State of Indiana Patient Compensation Fund and $250 by the Corporation or by its commercial insurer, The Medical Protective Company

Malpractice claims for incidents that may give rise to litigation have been asserted against the Corporation by various claimants The claims are in various stages of resolution, and some may ultimately be brought to trial There are also reported incidents that have occurred through December 31, 2011, that may result in the assertion of additional claims There may be other claims from unreported incidents arising from services provided to patients The reserve for medical malpractice includes amounts for claims and related legal expenses for these incurred

11. Malpractice Insurance (continued)

but not reported incidents This reserve is actuarially determined by combining industry data and the Corporation's historical experience Accrued malpractice losses and insurance recovery receivable have been discounted at 5% in both 2011 and 2010 and, in management's opinion, provide adequate reserve for loss contingencies In December 2011, the Corporation adopted new accounting guidance that requires expected claim losses and related expenses be estimated without consideration of insurance recovery In conjunction with the new guidance, the Corporation recorded receivable balances to reflect the expected recovery from commercial insurance coverage In accordance with this adopted guidance, the Corporation is reporting $323 and $295 in prepaid expenses and other current assets at December 31, 2011 and 2010, respectively, and $961 and $926 in other assets at December 31, 2011 and 2010, respectively The Corporation has recorded $1,358 and $895 in accounts payable and accrued expenses as of December 31, 2011 and 2010, respectively, and $4,787 and $4,235 at December 31, 2011 and 2010, respectively, are reported as other liabilities in the consolidated balance sheets

The Corporation established a revocable, restricted trust for claims not covered by commercial insurance for the purpose of setting aside assets based on actuarial funding recommendations Under the trust agreements, the trust assets can only be used for payment of malpractice and general liability losses, related expenses, and the cost of administering the trust The balance of the trust was $3,131 and $4,120 at December 31, 2011 and 2010, respectively The trust is included in Board-designated debt reserve and capital replacement funds in the accompanying consolidated balance sheets

(Dollars in Thousands)

12. Commitments and Contingencies

Certain property and equipment are leased using noncancelable operating lease arrangements Rental expense associated with the operating leases was $20,977 and $16,234 for the years ended December 31, 2011 and 2010, respectively The leases expire in various years through 2020 Future minimum lease payments required under noncancelable operating leases for property and equipment as of December 31, 2011, are as follows

Year Ending December 31	Operating Leases	Capital Leases
2012	$ 6,206	$ 1,339
2013	5,662	1,284
2014	5,283	745
2015	5,197	90
2016	3,640	69
Thereafter	17,685	–
Total minimum lease payments	$ 43,673	3,527
Less amount representing interest		301
Present value of net minimum lease payments		$ 3,226

13. Functional Expenses

The Corporation, as an integrated health care delivery system, provides and manages the health care needs of its patients and members Aggregate direct expenses for these services as a percent of total expenses were approximately 89% and 87% for the years ended December 31, 2011 and 2010, respectively

14. Indiana Medicaid Disproportionate Share

Under Indiana law (IC 12-15-16 (1-3)), health care providers qualifying as State of Indiana Medicaid Acute Disproportionate Share and Medicaid Safety Net Hospitals (DSH providers) are eligible to receive Indiana Medicaid Disproportionate Share (State DSH) payments The amount of these additional State DSH funds is dependent on regulatory approval by agencies of the federal and state governments and is determined by the level, extent, and cost of uncompensated care (as defined) and various other factors State DSH payments are paid according to the fiscal year of the State, which ends on June 30 of each year, and are based on the cost of uncompensated care provided by the DSH providers during their respective fiscal year ended during the State fiscal year

In 2011, PH recognized income of $2,877 from Indiana Supplemental Partial Payment to Privately Owned Hospitals payments, which pertained to state fiscal year 2011 PH recorded a favorable change in estimate of $1,298 in 2011

In 2010, PH recognized income of $2,353 from Indiana Supplemental Partial Payment to Privately Owned Hospitals payments, which pertained to state fiscal year 2010 PH recorded a favorable change in estimate of $1,442 in 2010

At December 31, 2011 and 2010, PH recorded State DSH payments receivable of $0

15. Subsequent Events

PH evaluated events and transactions occurring subsequent to December 31, 2011 through April 19, 2012, the date the consolidated financial statements were issued During this period, there were no subsequent events that required recognition in the consolidated financial statements Parkview is in the process of refinancing the Series 1998 and 2009A fixed rate bonds Closing is anticipated by the end of the second quarter of 2012

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