See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

CHANGE IN ACCOUNTING PERIOD

Form 990 Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

POSTMARK DATE NOV 15 2012 ENVELOPE

SCANNED NOV 16 2012

A For the 2011 calendar year, or tax year beginning OCT 1, 2011 and ending DEC 31, 2011

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

C Name of organization
MARTHA JEFFERSON HOSPITAL

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) 500 MARTHA JEFFERSON DRIVE

Room/suite

City or town, state or country, and ZIP + 4
CHARLOTTESVILLE, VA 22911

F Name and address of principal officer JAMES HADEN
500 MARTHA JEFFERSON DRIVE, CHARLOTTESVILLE,

D Employer identification number
54-0261840

E Telephone number
(434)654-8198

G Gross receipts $ 60727153.

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.MARTHAJEFFERSON.ORG

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

L Year of formation: 1929

M State of legal domicile: VA

Part I Summary

1 Briefly describe the organization's mission or most significant activities: IMPROVE HLTH STATUS OF COMMUNITY BY MAINTAINING, ENHANCING & RESTORING PERSONAL HEALTH & WELL BEING.

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	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	12
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	1841
6	Total number of volunteers (estimate if necessary)	6	661
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	35481.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

RECEIVED NOV 19 2012 OGDEN UT IRS-OSC E2-626

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	4176406.	1236902.
9	Program service revenue (Part VIII, line 2g)	233790096.	57103337.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	719922.	-204219.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3681439.	1699242.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	242367863.	59835262.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	317500.	296750.
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)	105001460.	27557791.
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)	116397603.	29755508.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	221716563.	57610049.
19	Revenue less expenses. Subtract line 18 from line 12	20651300.	2225213.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	317788638.	311992531.
21	Total liabilities (Part X, line 26)	359534902.	356561584.
22	Net assets or fund balances. Subtract line 21 from line 20	-41746264.	-44569053.

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 J. Michael Burris 11-14-2012 Date

▶ J. MICHAEL BURRIS, VICE PRESIDENT & CFO
Type or print name and title

Paid Preparer Use Only

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

Firm's name ▶ Firm's EIN ▶

Firm's address ▶ Phone no.

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

3 NEG17

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission:
THE ORGANIZATION'S MISSION IS TO IMPROVE THE HEALTH STATUS OF OUR COMMUNITY AND SET THE STANDARD FOR CLINICAL QUALITY AND PERSONALIZED HEALTHCARE SERVICES. IT IS DEDICATED TO PROVIDING THE BEST CLINICAL QUALITY WHILE MAINTAINING EXTRAORDINARY CUSTOMER SERVICE.

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 [X] 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 [X] 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 $ 49476910. including grants of $ _____) (Revenue $ 57937846.)
AT THE HEART OF MARTHA JEFFERSON'S MISSION AS A NOT-FOR-PROFIT COMMUNITY HOSPITAL IS OUR ROLE AND RESPONSIBILITY TO ADDRESS THE HEALTH NEEDS OF OUR COMMUNITY. MARTHA JEFFERSON IS ENTRUSTED WITH RESOURCES AND SKILLS THAT CAN HELP THE PEOPLE OF OUR COMMUNITY ACHIEVE AND MAINTAIN THEIR BEST POSSIBLE HEALTH. THE HOSPITAL'S BOARD OF TRUSTEES IN 2011 REAFFIRMED THE FOLLOWING COMMITMENTS THAT ARE FUNDAMENTAL TO OUR ABILITY TO MEET THESE CHALLENGES:
AS AN INTEGRAL PART OF THE STRATEGIC PLANNING PROCESS, THE MISSION OF MARTHA JEFFERSON HOSPITAL WILL BE REVIEWED ALONG WITH SPECIFIC INITIATIVES, GOALS AND OBJECTIVES TO CONSIDER INCORPORATING SPECIFIC STATEMENTS AIMED AT HELPING TO RESOLVE COMMUNITY PROBLEMS ADVERSELY AFFECTING THE HEALTH STATUS OF THE COMMUNITIES WE SERVE.

4b (Code _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)
CONTINUED FROM PROGRAM SERVICE ONE
SCHOOL PROGRAMS: MARTHA JEFFERSON HOSPITAL UNDERSTANDS MANY OF THE HEALTH DECISIONS WE MAKE AS ADULTS ARE A RESULT OF THE SITUATIONS WE EXPERIENCE AS CHILDREN. THROUGH OUR SCHOOL PROGRAMS WE ARE ABLE TO TEACH CHILDREN AND LEAVE AN IMPRESSION THAT WILL HOPEFULLY STAY WITH THEM AS THEY GROW UP.
IN OUR ELEMENTARY SCHOOL OUTREACH, AN EMPLOYEE OF MARTHA JEFFERSON ENGAGES STUDENTS IN THEIR CLASSROOM IN LESSONS ON HEALTH AND WELLNESS THAT DIRECTLY RELATE TO THE VIRGINIA STANDARDS OF LEARNING TEST.
PROFESSIONAL EDUCATION SUPPORT: AS A WAY TO PROVIDE CONTINUED PROFESSIONAL EDUCATION, MARTHA JEFFERSON SUPPORTS THE PIEDMONT VIRGINIA COMMUNITY COLLEGE SONOGRAPHY PROGRAM AND PROVIDES CLINICAL PLACEMENTS

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** ▶ 49476910.

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	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
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		X
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		X
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		X
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		X
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		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
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		X
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	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
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		X
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		X
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	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
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		X
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		X
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	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
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, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
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		X
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	X	
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		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	

Part IV Checklist of Required Schedules *(continued)*

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

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	148		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1841		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	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	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a	X	
b	If "Yes," enter the name of the foreign country ▶ Cayman Islands				
	See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a	15		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	12		
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		X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6		X	
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		X	
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		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			X

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		X
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		X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
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	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
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	X	
b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	15b	X	
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	X	
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		X

Section C. Disclosure

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

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

[ ] Own website [ ] Another's website [X] 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 during the tax year

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

J. MICHAEL BURRIS, CHIEF FINANCIAL - (434)654-7304
500 MARTHA JEFFERSON DRIVE, CHARLOTTESVILLE, VA 22911

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 [X]

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (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			
(1) JOHN P. CHAMALES BOARD MEMBER	2.00	X						0.	0.	0.
(2) JAMES P. CRAIG BOARD MEMBER	2.00	X						0.	0.	0.
(3) DR. GREGORY G. DEGNAN BOARD MEMBER	2.00	X						0.	0.	0.
(4) MARK GILES BOARD MEMBER	2.00	X						0.	0.	0.
(5) CAROL B. HURT CHAIR	2.50	X		X				0.	0.	0.
(6) ARTHUR KISER BOARD MEMBER	2.00	X						0.	0.	0.
(7) Dr. JOHN LIGUSH BOARD MEMBER & VICE CHAIR	2.00	X		X				0.	0.	0.
(8) DR. JOHN M. CARPENTER BOARD MEMBER	2.00	X						0.	0.	0.
(9) DR. JOSEPH ORLICK BOARD MEMBER	2.00	X						0.	0.	0.
(10) KATHRYN B. PARKER BOARD MEMBER	2.00	X						0.	0.	0.
(11) DR. JOSH FISCHER BOARD MEMBER	2.00	X						0.	0.	0.
(12) DR. BURKHARD SPIEKERMANN BOARD MEMBER	2.00	X						0.	0.	0.
(13) DR. R HUNT MACMILLAN BOARD MEMBER & CHAIR	2.00	X						0.	0.	0.
(14) DR. KEVIN R MCCONNELL BOARD MEMBER	2.00	X						0.	0.	0.
(15) DR. TIMOTHY B SHORT BOARD MEMBER	2.00	X						0.	0.	0.
(16) WILLIAM L. ACHENBACH BOARD MEMBER	2.00	X						0.	0.	0.
(17) DAVID BERND BOARD MEMBER	2.00	X						0.	3838264.	743146.

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			
(18) LILLIAN R. BEVIER BOARD MEMBER	2.00	X						0.	0.	0.
(19) PETER BROOKS BOARD MEMBER	2.00	X						0.	0.	0.
(20) GREGORY DOULL, MD BOARD MEMBER	2.00	X						0.	0.	0.
(21) EARNEST EDWARDS BOARD MEMBER	2.00	X						0.	0.	0.
(22) RICHARD GILLIAM BOARD MEMBER	2.00	X						0.	0.	0.
(23) HOWARD KERN BOARD MEMBER	2.00	X						0.	1612156.	910858.
(24) KENNETH KRAKAUR BOARD MEMBER	2.00	X						0.	1003009.	184819.
(25) E. RAY MURPHY BOARD MEMBER	2.00	X						0.	0.	0.
(26) BRUCE MURRAY BOARD MEMBER	2.00	X						0.	0.	0.
1b Sub-total							▶	0.	6453429.	1838823.
c Total from continuation sheets to Part VII, Section A							▶	5914368.	0.	777786.
d Total (add lines 1b and 1c)							▶	5914368.	6453429.	2616609.

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 ▶ 123

			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	X	
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	X	
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		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. 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
M.A. MORTENSON COMPANY 17975 WEST SARAH LANE, BROOKFIELD, WI 53045	CONSTRUCTION	42607040.
KAHLER SLATER, 111 W. WISCONSIN AVENUE, MILWAUKEE, WI 53203-2501	ARCHITECTS	1961557.
NIELSEN BUILDERS 3588 EARLY ROAD, HARRISONBURG, VA 22801	CONSTRUCTION	1580132.
QUEST DIAGNOSTICS, 12436 COLLECTIONS CENTER DRIVE, CHICAGO, IL 60693-2436	LAB SERVICES	1495824.
INSCRIBE, LLC P.O. BOX 1427, MURRAY, KY 42071	TRANSCRIPTION SERVICE	891635.

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 ▶ 37

See Part VII, Section A Continuation sheets

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	292063.				
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	944839.				
	g Noncash contributions included in lines 1a-1f $ 257624.						
	h **Total.** Add lines 1a-1f			1236902.			
Program Service Revenue		Business Code					
	2a PATIENT SERVICES	621500		57103337.	57084490.	18847.	
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g **Total.** Add lines 2a-2f			57103337.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			104551.		16634.	87917.
	4 Income from investment of tax-exempt bond proceeds			124994.			124994.
	5 Royalties						
		(i) Real	(ii) Personal				
	6a Gross rents	209427.					
	b Less: rental expenses	69658.					
	c Rental income or (loss)	139769.					
	d Net rental income or (loss)			139769.			139769.
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory		267754.				
	b Less cost or other basis and sales expenses		701518.				
	c Gain or (loss)		-433764.				
	d Net gain or (loss)			-433764.			-433764.
	8a Gross income from fundraising events (not including $ 292063. of contributions reported on line 1c) See Part IV, line 18	a	155759.				
	b Less: direct expenses	b	120715.				
	c Net income or (loss) from fundraising events			35044.			35044.
	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 & GIFT SHOP	722210		449595.			449595.
	b CFC RETURN OF CAPITAL	524298		131611.			131611.
	c SUBPART F INCOME	524298		63534.			63534.
	d All other revenue	900099		879689.	853356.		26333.
	e **Total.** Add lines 11a-11d			1524429.			
	12 **Total revenue.** See instructions.			59835262.	57937846.	35481.	625033.

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	296750.	296750.		
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	825180.		825180.	
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	20425536.	19587180.	838356.	
8	Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	1285147.	1220890.	64257.	
9	Other employee benefits	3478656.	3161399.	317257.	
10	Payroll taxes	1543272.	1433101.	110171.	
11	Fees for services (non-employees):				
a	Management	283030.	283030.		
b	Legal	321857.	939.	320918.	
c	Accounting	243896.	43213.	200683.	
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other	3649585.	3271122.	378463.	
12	Advertising and promotion	150490.	139540.	10950.	
13	Office expenses	1618567.	1218727.	399840.	
14	Information technology	1593191.	1303816.	289375.	
15	Royalties				
16	Occupancy	1938032.	1409829.	528203.	
17	Travel	81903.	57163.	24740.	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	62525.	33616.	28909.	
20	Interest	2720859.		2720859.	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2981803.	2684615.	297188.	
23	Insurance	321396.	169722.	151674.	
24	Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a	MEDICAL SUPPLIES	9707163.	9706857.	306.	
b	PROV FOR BAD DEBT	2888364.	2888017.	347.	
c	EQUIPMENT MAINTENANCE	708414.	760331.	-51917.	
d	DUES & SUBSCRIPTIONS	291695.	121726.	169969.	
e	All other expenses	192738.	-314673.	507411.	
25	**Total functional expenses.** Add lines 1 through 24e	57610049.	49476910.	8133139.	0.
26	**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		23184335.	1	11859110.
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		24830779.	4	25786923.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)			6	
	7	Notes and loans receivable, net		1819634.	7	2045081.
	8	Inventories for sale or use		3627267.	8	3866675.
	9	Prepaid expenses and deferred charges		3228468.	9	2482311.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 192052326.			
	b	Less: accumulated depreciation	10b 5316346.	186389296.	10c	186735980.
	11	Investments - publicly traded securities		54656615.	11	58295786.
	12	Investments - other securities. See Part IV, line 11			12	
	13	Investments - program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		20052244.	15	20920665.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		317788638.	16	311992531.
Liabilities	17	Accounts payable and accrued expenses		42471418.	17	51347841.
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		230137799.	20	227278962.
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		86925685.	25	77934781.
	26	**Total liabilities.** Add lines 17 through 25		359534902.	26	356561584.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		-46106689.	27	-49704697.
	28	Temporarily restricted net assets		3849557.	28	4181078.
	29	Permanently restricted net assets		510868.	29	954566.
		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		-41746264.	33	-44569053.
	34	Total liabilities and net assets/fund balances		317788638.	34	311992531.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	59835262.
2	Total expenses (must equal Part IX, column (A), line 25)	2	57610049.
3	Revenue less expenses. Subtract line 2 from line 1	3	2225213.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-41746264.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-5048002.
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	-44569053.

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

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization	Employer identification number
MARTHA JEFFERSON HOSPITAL	54-0261840

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 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. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 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 from 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 a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

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 Section 509(a)(2)

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 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 section 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.** Complete this part to provide the explanations required by Part II, line 10, Part II, line 17a or 17b, and Part III, line 12 Also complete this part for any additional information (See instructions).

ON JUNE 1, 2011, SENTARA HEALTHCARE BECAME THE SOLE MEMBER OF MARTHA JEFFERSON HOSPITAL. AS SENTARA HEALTHCARE'S BOOKS ARE RECORDED ON A CALENDAR YEAR BASIS, THE ORGANIZATION'S FINANCIAL REPORTING HAS BEEN CHANGED TO A CALENDAR YEAR TO CONFORM.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 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	Employer identification number
MARTHA JEFFERSON HOSPITAL	54-0261840

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 can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ 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 education)
- ☐ Preservation of an historically important land area
- ☐ Protection of natural habitat
- ☐ Preservation of a certified historic structure
- ☐ Preservation of open space

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

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

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

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

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

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

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

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

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

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

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

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

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

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

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

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

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

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

a ☐ Public exhibition
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	29368803.				
b	Contributions		29368803.			
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	29368803.	29368803.			

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

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

The percentages in lines 2a, 2b, and 2c should equal 100%

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))		X
(ii) related organizations (3a(ii))	X	

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

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		30178829.		30178829.
b	Buildings		107401204.	825761.	106575443.
c	Leasehold improvements		434239.	19919.	414320.
d	Equipment		47964470.	4372832.	43591638.
e	Other		6073584.	97834.	5975750.
Total.	Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)*			▶	186735980.

Schedule D (Form 990) 2011

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

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

	(a) Description	(b) Book value
(1)	MISCELLANEOUS ACCOUNTS RECEIVABLE	389747.
(2)	DEPOSITS	778363.
(3)	OTHER ASSETS	6339591.
(4)	ASSETS HELD FOR SALE	11551960.
(5)	DUE FROM AFFILIATE	1861004.
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15)* ▶		20920665.

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

1.	(a) Description of liability	(b) Book value
(1)	Federal income taxes	
(2)	CLAIMS ACCRUAL	500000.
(3)	PENSION LIABILITY	16426052.
(4)	CAPITAL LEASE OBLIGATIONS	1519722.
(5)	LONG TERM LIABILITIES	7607733.
(6)	INTEREST RATE SWAP LIABILITY	51881274.
(7)		
(8)		
(9)		
(10)		
(11)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶		77934781.

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

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

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

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

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

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

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

Part XIV Supplemental Information

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

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

MARTHA JEFFERSON HOSPITAL

Employer identification number

54-0261840

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 its grants and other 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 its grants and other assistance outside the United States.

3 Activities per Region (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(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 and investments in region
CENTRAL AMERICA AND THE CARIBBEAN			PROGRAM SERVICES	INSURANCE CAPTIVE	0.
EUROPE			PROGRAM SERVICE INVESTMENTS		44102588.
3 a Sub-total	0	0			44102588.
b Total from continuation sheets to Part I	0	0			0.
c **Totals** (add lines 3a and 3b)	0	0			44102588.

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 ▶ ☐

Part II can be duplicated 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 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

Part III can be duplicated 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, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	[X] 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, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U S Owner (see Instructions for Forms 3520 and 3520-A)*	[ ] Yes	[X] 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)*	[X] 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, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	[ ] Yes	[X] 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	[X] 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	[X] No

Schedule F (Form 990) 2011

Part V Supplemental Information

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method, amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method), and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information.

AS OF DECEMBER 31, 2011 MARTHA JEFFERSON HOSPITAL HAS A 17% OWNERSHIP IN VIRGINIA SOLUTION SPC LTD, AN INSURANCE CAPTIVE, WHICH OPERATES IN THE CAYMAN ISLANDS.

IN ACCORDANCE WITH MARTHA JEFFERSON HOSPITAL'S INTEREST RATE SWAP AGREEMENTS WITH UBS, MARTHA JEFFERSON HOSPITAL IS REQUIRED TO PROVIDE COLLATERAL WHEN THE FAIR VALUE OF THE SWAP AGREEMENTS EXCEEDS A PREDETERMINED THRESHOLD AMOUNT. WHEN MARTHA JEFFERSON IS REQUIRED TO PROVIDE COLLATERAL, IT IS HELD BY UBS AND EARNS INTEREST.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open To Public Inspection

Name of the organization
MARTHA JEFFERSON HOSPITAL

Employer identification number
54-0261840

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17 Form 990-EZ filers are not required to complete this part.

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

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
Total ▶						

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

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 MARTHA'S MARKET (event type)	(b) Event #2 IN THE PINK (event type)	(c) Other events None (total number)	(d) Total events (add col. (a) through col (c))
Revenue	1 Gross receipts	417602.	30220.		447822.
	2 Less Charitable contributions	261843.	30220.		292063.
	3 Gross income (line 1 minus line 2)	155759.			155759.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	38255.			38255.
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	81940.	520.		82460.
	10 Direct expense summary. Add lines 4 through 9 in column (d)			▶	(120715.)
	11 Net income summary. Combine line 3, column (d), and line 10			▶	35044.

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

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)			▶	( )
	8 Net gaming income summary. Combine line 1, column d, and line 7			▶	

9 Enter the state(s) in which the organization operates gaming activities: _____

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

b If "No," explain _____

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

b If "Yes," explain: _____

11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

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

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

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____ .

c If "Yes," enter name and address of the third party

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

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

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

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 MARTHA JEFFERSON HOSPITAL

Employer identification number 54-0261840

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			1240277.		1240277.	2.15%
b Medicaid (from Worksheet 3, column a)			2626142.	1830655.	795487.	1.38%
c Costs of other means-tested government programs (from Worksheet 3, column b)			55.		55.	.00%
d **Total** Financial Assistance and Means Tested Government Programs			3866474.	1830655.	2035819.	3.53%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			166480.		166480.	.29%
f Health professions education (from Worksheet 5)			231513.	98878.	132635.	.23%
g Subsidized health services (from Worksheet 6)			4725995.	2638782.	2087213.	3.62%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			232670.		232670.	.40%
j **Total.** Other Benefits			5356658.	2737660.	2618998.	4.54%
k **Total.** Add lines 7d and 7j			9223132.	4568315.	4654817.	8.07%

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other			116164.		116164.	.20%
10	Total			116164.		116164.	.20%

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		1	X	
2	Enter the amount of the organization's bad debt expense	2 2682396.			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy	3 628926.			
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	15486692.
6	Enter Medicare allowable costs of care relating to payments on line 5	6	19900742.
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-4414050.
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	X	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV Management Companies and Joint Ventures (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 MARTHA JEFFERSON OUTPATIENT SURGERY CENTER, LLC	FREESTANDING AMBULATORY SURGERY CENTER	50.00%	.00%	50.00%

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? 2

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 MARTHA JEFFERSON HOSPITAL 500 MARTHA JEFFERSON DRIVE CHARLOTTESVILLE, VA 22911	X	X					X		
2 MARTHA JEFFERSON OUTPATIENT SURGERY CE 595 MARTHA JEFFERSON DRIVE CHARLOTTESVILLE, VA 22911	X								AMBULATORY SURGERY CENTER

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of Hospital Facility: MARTHA JEFFERSON HOSPITAL

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for tax year 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 line 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply):			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment: 20____			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in its community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	X	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	9	X	
If "Yes," indicate the FPG family income limit for eligibility for free care. 200 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)* MARTHA JEFFERSON HOSPITAL

			Yes	No
10	Used FPG to determine eligibility for providing *discounted* care?	10	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: 300 %			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a	[X] Income level			
b	[X] Asset level			
c	[X] Medical indigency			
d	[X] Insurance status			
e	[X] Uninsured discount			
f	[X] Medicaid/Medicare			
g	[ ] State regulation			
h	[ ] Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	X	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	[X] The policy was posted on the hospital facility's website			
b	[ ] The policy was attached to billing invoices			
c	[X] 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 on admission to the hospital facility			
f	[X] The policy was available on 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	X	
15	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine patient's eligibility under the facility's FAP:			
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
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		X
	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 line 16 (check all that apply):			
a	[ ] Notified patients of the financial assistance policy on 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)* MARTHA JEFFERSON HOSPITAL

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	X	
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 its 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? If "Yes," explain in Part VI.	20		X
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient? If "Yes," explain in Part VI.	21		X

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of Hospital Facility: MARTHA JEFFERSON OUTPATIENT SURGERY CENT

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for tax year 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 line 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply):			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment. 20____			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in its community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
8 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	X	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	9	X	
If "Yes," indicate the FPG family income limit for eligibility for free care: 100 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)* MARTHA JEFFERSON OUTPATIENT SURGERY CENT

			Yes	No
10	Used FPG to determine eligibility for providing *discounted* care?	10	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: 300 %			
	If "No," explain in Part VI the criteria the hospital facility used.			
11	Explained the basis for calculating amounts charged to patients?	11	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply).			
a	[X] Income level			
b	[ ] Asset level			
c	[X] Medical indigency			
d	[X] Insurance status			
e	[X] Uninsured discount			
f	[X] Medicaid/Medicare			
g	[X] State regulation			
h	[ ] Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	X	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	[ ] The policy was posted on the hospital facility's website			
b	[X] The policy was attached to 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 on admission to the hospital facility			
f	[X] The policy was available on 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	X	
15	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine patient's eligibility under the facility's FAP.			
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
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		X
	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 line 16 (check all that apply):			
a	[ ] Notified patients of the financial assistance policy on 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)* MARTHA JEFFERSON OUTPATIENT SURGERY CENT

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		X

If "No," indicate why

a [X] 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 its 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 [X] Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI.	20	X	
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient? If "Yes," explain in Part VI.	21		X

Part V Facility Information *(continued)*

Section C. Other Health Care 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 health care facilities did the organization operate during the tax year? 19

	Name and address	Type of Facility (describe)
1	MARTHA JEFFERSON OUTPATIENT CARE CENT 595 MARTHA JEFFERSON DRIVE CHARLOTTESVILLE, VA 22911	DIAGNOSTIC CENTER
2	THE SOMETHING SPECIAL SHOP 500 MARTHA JEFFERSON DRIVE CHARLOTTESVILLE, VA 22911	DME
3	MJ SURGICAL ASSOCIATES 500 MARTHA JEFFERSON DRIVE CHARLOTTESVILLE, VA 22911	PHYSICIAN CLINIC
4	MARTHA JEFFERSON SLEEP CENTER 1793 RICHMOND ROAD CHARLOTTESVILLE, VA 22911	DIAGNOSTIC CENTER
5	FOREST LAKES FAMILY MEDICINE 3263 PROFFIT ROAD, SUITE 101 CHARLOTTESVILLE, VA 22911	PHYSICIAN CLINIC
6	GREENE FAMILY MEDICINE 140 STONERIDGE DRIVE S, SUITE 100 RUCKERSVILLE, VA 22968-3096	PHYSICIAN CLINIC
7	CROZET FAMILY MEDICINE 1646 PARK RIDGE DRIVE CROZET, VA 22932-3155	PHYSICIAN CLINIC
8	PALMYRA MEDICAL ASSOCIATES 17 CENTRE COURT PALMYRA, VA 22963-2330	PHYSICIAN CLINIC
9	MADISON FAMILY MEDICINE 2503 SOUTH SEMINOLE TRAIL MADISON, VA 22727-2690	PHYSICIAN CLINIC
10	MJH IVF LAB 595 MARTHA JEFFERSON DRIVE CHARLOTTESVILLE, VA 22911	FERTILITY LABORATORY

Part V Facility Information *(continued)*

Section C. Other Health Care 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 health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
11 AFTON FAMILY MEDICINE 7849 ROCKFISH VALLEY HWY AFTON, VA 22920-3203	PHYSICIAN CLINIC
12 BUCKINGHAM FAMILY MEDICINE 65 BRICKYARD ROAD DILLWYN, VA 22936-0030	PHYSICIAN CLINIC
13 BLUE RIDGE INTERNAL MEDICINE 310 OLD IVY WAY, SUITE 201 CHARLOTTESVILLE, VA 22903-4896	PHYSICIAN CLINIC
14 MJ INTERNAL MEDICINE 1100 EAST HIGH STREET, SUITE B CHARLOTTESVILLE, VA 22902	PHYSICIAN CLINIC
15 MJ ORTHOPAEDICS 310 OLD IVY WAY, SUITE 202 CHARLOTTESVILLE, VA 22903-4896	PHYSICIAN CLINIC
16 MJ MEDICAL ONCOLOGY ASSOCIATES 500 MARTHA JEFFERSON DRIVE CHARLOTTESVILLE, VA 22911	PHYSICIAN CLINIC
17 MARTHA JEFFERSON HEALTH SERVICES 3263 PROFFIT ROAD CHARLOTTESVILLE, VA 22902	DIAGNOSTIC CENTER
18 WOUND CARE AT MARTHA JEFFERSON 1490 PANTOPS MOUNTAIN PLACE CHARLOTTESVILLE, VA 22911	WOUND CENTER
19 MJ SPRING CREEK 29 JEFFERSON COURT GORDONSVILLE, VA 22942	PHYSICIAN CLINIC

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

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

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

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

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

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

Part I, Line 7: A COMBINATION OF A RATIO OF COSTS TO CHARGES AND A COST ACCOUNTING PROCESS WHICH ADDRESSES ALL PATIENT SEGMENTS (INPATIENT, OUTPATIENT, EMERGENCY ROOM, PRIVATE INSURANCE, MEDICARE, MEDICAID, UNINSURED AND SELF PAY) WAS USED TO DETERMINE ALL AMOUNTS REPORTED ON LINE 7.

Part I, Line 7g: INCLUDES PRIMARY CARE PRACTICES COSTS OF $2,087,213.

Part I, Ln 7 Col(f): THE AMOUNT OF BAD DEBT EXPENSE SUBTRACTED FROM THE DENOMINATOR WHEN CALCULATING COLUMN F PERCENTAGES IS $2,888,364.

Part II: WE OFFER A VARIETY OF COMMUNITY BUILDING ACTIVITIES INCLUDING THOSE DESIGNED TO HELP MEET THE BASIC NEEDS OF OUR COMMUNITY SUCH AS FOOD DRIVES AND OUR SHOES FOR THE HOMELESS ANNUAL CAMPAIGN. WE OFFER AN ANNUAL CELEBRATION OF LIFE EVENT FOR CANCER SURVIVORS TO GIVE THEM THE OPPORTUNITY TO INTERACT WITH THE PHYSICIANS AND STAFF WHO WERE RESPONSIBLE FOR THEIR CARE. WE HAVE HAD FOUR ANNUAL UNWANTED MEDICATION AND SHARPS DROP-OFF EVENTS. WE HAVE STEADILY INCREASED THE AMOUNT OF MEDICATIONS AND SHARPS WE ARE TAKING OUT OF HOMES IN OUR COMMUNITY AT EACH

Part VI Supplemental Information

EVENT.

Part III, Line 4: IN COMPUTING LINE 3, THE ORGANIZATION USES PRESUMPTIVE CRITERIA FOR ACCOUNTS IN BAD DEBT, BASED ON PREVIOUS QUALIFICATIONS FOR MEDICAID, EXISTENCE OF INSURANCE, EMPLOYMENT STATUS, AND HISTORY OF BAD DEBT WRITE-OFFS. BAD DEBT SHOULD BE INCLUDED IN COMMUNITY BENEFIT AS HOSPITALS OFTEN FACE A BARRIER TO CLASSIFYING A PATIENT ACCOUNT AS CHARITY CARE DUE TO THEIR ABILITY TO OBTAIN FROM PATIENTS THE NECESSARY INFORMATION TO EVALUATE THEIR ELIGIBILITY FOR CHARITY CARE. AS SUCH, SOME PORTION OF BAD DEBT EXPENSE MAY, IN FACT, MORE ACCURATELY BE CONSIDERED TO BE CHARITY CARE.

THE ORGANIZATION'S FINANCIAL STATEMENTS DO NOT INCLUDE A FOOTNOTE DESCRIBING BAD DEBT EXPENSE. THE FINANCIAL STATEMENTS ACCOUNT FOR BAD DEBT BY RESERVING 72% OF THE SELF PAY A/R BALANCES. BAD DEBT EXPENSE IS REPORTED NET OF ANY DISCOUNTS OR COLLECTIONS ON ACCOUNTS THAT WERE PREVIOUSLY WRITTEN-OFF (I.E. BAD DEBT WRITE-OFFS - DISCOUNTS - PAYMENTS RECEIVED).

Part III, Line 8: THE MEDICARE COST REPORT FOR THE SHORT YEAR WAS USED TO DETERMINE THE MEDICARE COSTS REPORTED ON LINE 6. MEDICARE MARGINS HAVE BEEN DECLINING AT THE SAME TIME THAT HOSPITALS HAVE BEEN ENGAGED IN CONCERTED EFFORTS TO IMPROVE EFFICIENCY, WHICH POINTS TO THE FACT THAT THE LOSSES ARE MOST LIKELY THE RESULT OF INADEQUATE REIMBURSEMENT BY THE FEDERAL GOVERNMENT, THUS, SHOULD BE INCLUDED IN COMMUNITY BENEFIT.

Part III, Line 9b: COLLECTION PRACTICES ARE GEARED TOWARDS PATIENTS THAT HAVE A HIGH PROBABILITY OF BEING ABLE TO PAY FOR SERVICES BASED ON

Part VI Supplemental Information

INCOME LEVEL AND INELIGIBILITY FOR CHARITY PROGRAMS. IT IS THE POLICY OF MARTHA JEFFERSON HOSPITAL TO REVIEW ACCOUNTS TO ENSURE ALL POSSIBLE METHODS OF PAYMENT HAVE BEEN EXHAUSTED, I.E. MEDICAL ASSISTANCE, FINANCIAL ASSISTANCE, PAYMENT PLANS AND SELF-PAY DISCOUNTS, PRIOR TO AN ACCOUNT BEING DEEMED AS "BAD DEBT". THE ORGANIZATION USES OUTSIDE COLLECTION AGENCIES ON A PRIMARY PLACEMENT BASIS. THE ORGANIZATION DETERMINES WHICH PATIENTS ARE SENT TO OUTSIDE AGENCIES AND GUIDES THE AGENCIES IN PERFORMING REASONABLE COLLECTION EFFORTS.

MARTHA JEFFERSON OUTPATIENT SURGERY CENT:

Part V, Section B, Line 19d: SERVICES ELIGIBLE UNDER THE OUTPATIENT SURGERY CENTER'S FINANCIAL ASSISTANCE POLICY WERE MADE AVAILABLE TO PATIENTS ON A SLIDING FEE SCALE, IN ACCORDANCE WITH FINANCIAL NEED, AS DETERMINED WITH REFERENCE TO FEDERAL POVERTY GUIDELINES (FPG) IN EFFECT AT THE TIME OF THE DETERMINATION.

THE BASIS FOR THE AMOUNTS THE HOSPITAL CHARGED ITS PATIENTS WHO QUALIFIED FOR FINANCIAL ASSISTANCE IS SUMMARIZED AS FOLLOWS:

-ALL PATIENTS WHOSE INCOME WAS AT OR BELOW 100% OF THE FPG WERE ELIGIBLE TO RECEIVE FREE CARE.

-PATIENTS WHOSE INCOME WAS ABOVE 100% BUT NOT MORE THAN 150% OF THE FPG WERE ELIGIBLE TO RECEIVE SERVICES AT A 75% DISCOUNT.

-PATIENTS WHOSE INCOME WAS ABOVE 150% BUT NOT MORE THAN 200% OF THE FPG WERE ELIGIBLE TO RECEIVE SERVICES AT A 50% DISCOUNT.

-PATIENTS WHOSE INCOME WAS ABOVE 200% BUT NOT MORE THAN 300% OF THE FPG WERE ELIGIBLE TO RECEIVE SERVICES AT A 25% DISCOUNT.

MARTHA JEFFERSON OUTPATIENT SURGERY CENT:

Part VI Supplemental Information

Part V, Section B, Line 20: AS OUTLINED IN PART V LINE 19d, THE FACILITY'S 2011 FINANCIAL ASSISTANCE POLICY INCLUDED FREE CARE TO ALL PATIENTS WHOSE INCOME WAS AT OR BELOW 100% OF THE FPG, AND DISCOUNTED CARE TO ALL OTHER FAP-ELIGIBLE PATIENTS BASED ON A SLIDING FEE SCALE. THE SLIDING FEE SCALE WAS DESIGNED TO BROADEN THE NUMBER OF UNINSURED PATIENTS ELIGIBLE FOR DISCOUNTED CARE YET FOSTER PATIENT PARTICIPATION IN THE COST OF CARE AT HIGHER INCOME LEVELS. THE ORGANIZATION BELIEVES THAT SUCH AN APPROACH WAS IN LINE WITH THE CONGRESSIONAL INTENT BEHIND IRC SEC 501(r)(4)(A). HOWEVER, AS SOME DISCOUNTS OFFERED UNDER THE SLIDING FEE SCALE DID NOT MEET THE "AMOUNTS GENERALLY BILLED" STANDARD SET BY THE JOINT COMMITTEE ON TAXATION IN ITS MARCH 21, 2010 REPORT, AND NO FURTHER GUIDANCE WAS AVAILABLE DURING 2011, THE ORGANIZATION ANSWERED "YES" TO THIS QUESTION.

Part VI, Line 2: MARTHA JEFFERSON WAS INVITED BY THE THOMAS JEFFERSON HEALTH DISTRICT TO PARTICIPATE ON THE STEERING COMMITTEE OF THE CITY OF CHARLOTTESVILLE/ALBEMARLE COUNTY COMMUNITY HEALTH STATUS ASSESSMENT. THE STEERING COMMITTEE WAS INCLUSIVE, WITH REPRESENTATIVES FROM ALL LOCAL AGENCIES AND ORGANIZATIONS THAT IMPACT THE OVERALL HEALTH OF OUR COMMUNITY. THE PURPOSE OF COMMUNITY HEALTH STATUS ASSESSMENT WAS TO ANSWER THREE MAIN QUESTIONS: 1) WHO COMPRISES THE COMMUNITY, AND WHAT DO THE COMMUNITY MEMBERS BRING TO THE TABLE? 2) WHAT ARE THE STRENGTHS AND RISK FACTORS IN THE COMMUNITY THAT CONTRIBUTE TO HEALTH? 3) WHAT IS THE STATUS OF THE COMMUNITY?
THIS ASSESSMENT WAS PUBLISHED IN 2008 AND CAN BE FOUND ON THE THOMAS JEFFERSON HEALTH DISTRICT'S WEBSITE LOCATED AT WWW.VDH.STATE.VA.US/LHD/THOMASJEFFERSON.

Part VI Supplemental Information

WE ARE CURRENTLY PLANNING A SIMILAR COLLABORATIVE EFFORT TO MEET THE REQUIREMENTS FOR A NEW ASSESSMENT BY OCTOBER 2013.

Part VI, Line 3: THE HOSPITAL PROVIDES PAMPHLETS AT REGISTRATION AREAS, PAYMENT AREAS AND WAITING ROOMS DESCRIBING THE HOSPITAL'S BILLING PROCESS AND FINANCIAL ASSISTANCE. IN ADDITION, INFORMATION IS AVAILABLE ON THE HOSPITAL'S WEBSITE DISCUSSING ELIGIBILITY CRITERIA FOR FINANCIAL ASSISTANCE, THE FULL FINANCIAL ASSISTANCE POLICY, AS WELL AS INFORMATION ON THE APPLICATION PROCESS. FINANCIAL COUNSELORS AT THE HOSPITAL MAY REACH OUT TO PATIENTS TO DETERMINE IF THEY WOULD LIKE TO APPLY FOR ASSISTANCE, WHICH APPLICATION MAY BE MADE PRIOR TO, DURING OR SUBSEQUENT TO RECEIVING SERVICES.

Part VI, Line 4: MARTHA JEFFERSON HOSPITAL SERVES THE THOMAS JEFFERSON AREA PLANNING DISTRICT (PD10), INCLUDING THE CITY OF CHARLOTTESVILLE, AND THE COUNTIES OF ALBEMARLE, FLUVANNA, GREENE, LOUISA, AND NELSON, ALL OF WHICH ARE FEDERALLY-DESIGNATED MEDICALLY UNDERSERVED AREAS. THIS DISTRICT INCLUDES URBAN, RURAL AND SUBURBAN GEOGRAPHIC AREAS. PD10 CONSISTS OF APPROXIMATELY 230,000 PEOPLE (U.S. CENSUS BUREAU 2009), WITH ALBEMARLE COUNTY BY FAR THE MOST HIGHLY POPULATED AREA, DISTANTLY FOLLOWED BY THE CITY OF CHARLOTTESVILLE AND THE OTHER COUNTIES. IN GENERAL, THE PLANNING DISTRICT IS GROWING IN POPULATION, WITH AN INCREASE OF OVER 30,000 PEOPLE FROM 2000-2009 (U.S. CENSUS BUREAU 2009). APPROXIMATELY 75 PERCENT OF CITY RESIDENTS AND 90 PERCENT OF ALBEMARLE COUNTY RESIDENTS LIVE ABOVE THE FEDERAL POVERTY LEVEL, WITH CHILDREN BEING THE MOST AFFECTED GROUP BY AGE OF PERSONS LIVING IN POVERTY. WHILE ABOUT 10 PERCENT OF CITY HOUSEHOLDS RECEIVE ASSISTANCE THROUGH FOOD STAMPS, OVER 50 PERCENT OF CITY SCHOOL CHILDREN QUALIFY FOR FREE OR REDUCED-COST LUNCH

Part VI Supplemental Information

PROGRAMS (2008 CITY OF CHARLOTTESVILLE/ALBEMARLE COUNTY COMMUNITY HEALTH STATUS ASSESSMENT). MEDICAID AND SELF PAY PATIENTS COMPRISE APPROXIMATELY 9% OF THE HOSPITAL'S PATIENTS. THE COMMUNITY IS SERVED BY TWO HOSPITALS.

Part VI, Line 5: MARTHA JEFFERSON FURTHERS ITS EXEMPT PURPOSE BY PROMOTING THE HEALTH OF THE COMMUNITY THROUGH WORKPLACE HEALTHY INITIATIVES, AN OPEN MEDICAL STAFF, BOARDS OF DIRECTORS COMPRISED OF COMMUNITY MEMBERS AND PHYSICIANS, CHARITY CARE POLICIES AND OUTREACH, AND USE OF SURPLUS FUND DISPERSAL. WORKFORCE DEVELOPMENT PROGRAMS CONTINUE AS DOES OUR SUPPORT OF ORGANIZATIONS CHAMPIONING CHILD DENTAL, INDIGENT PRESCRIPTION DRUG, COMMUNITY MENTAL HEALTH SERVICES AND FREE CLINIC ACCESS EFFORTS.

MARTHA JEFFERSON HOSPITAL STAFF SERVE ON COMMITTEES AND BOARDS RELATED TO COMMUNITY HEALTH INCLUDING THE CHARLOTTESVILLE FREE CLINIC, JEFFERSON AREA BOARD FOR AGING, THE SENIOR CENTER, THE CHARLOTTESVILLE OBESITY TASK FORCE, HOSPICE OF THE PIEDMONT, AND THE WOMEN'S INITIATIVE. PARTNERSHIPS ARE IMPORTANT TO US. WE PARTNER WITH ORGANIZATIONS THAT HAVE A TRACK RECORD OF IMPROVING HEALTH IN OUR COMMUNITY INCLUDING BUT NOT LIMITED TO THE CHARLOTTESVILLE FREE CLINIC, GREENE FREE CLINIC, CHARLOTTESVILLE/ALBEMARLE RESCUE SQUAD, THE UNITED WAY, AND THE WOMEN'S INITIATIVE (MENTAL HEALTH SERVICES). WE MAXIMIZE OUR REACH THROUGH FINANCIAL AND IN-KIND DONATIONS TO ORGANIZATIONS SUCH AS THE CHARLOTTESVILLE CITY SCHOOLS, HOSPICE OF THE PIEDMONT, JEFFERSON AREA BOARD FOR AGING AND HEAD START PROGRAMS IN SEVERAL SURROUNDING COUNTIES. OUR PARTNERSHIPS HELP BUILD AND STRENGTHEN EXISTING PROGRAMS, AS WELL AS LEADING TO THE DEVELOPMENT OF NEW PROGRAMS. OUR PARTNERSHIPS WITH OTHER NON-PROFITS IN THE COMMUNITY ALSO HELP US STAY ABREAST OF COMMUNITY NEEDS. MARTHA JEFFERSON HOSPITAL WELCOMES AND ENCOURAGES SIGNIFICANT COMMUNITY

Part VI Supplemental Information

INVOLVEMENT THROUGH THE ESTABLISHMENT OF NUMEROUS GOVERNING COMMITTEES AND A COMMUNITY LEADERSHIP COUNCIL. THERE ARE 100 COMMUNITY MEMBERS ANNUALLY INVOLVED DIRECTLY WITH THESE COMMITTEES.

MARTHA JEFFERSON HOSPITAL MAINTAINS AN OPEN MEDICAL STAFF TO ALL WHO SEEK PRIVILEGES HERE. THERE ARE OVER 450 PHYSICIANS AND ALLIED STAFF ON THE MARTHA JEFFERSON HOSPITAL MEDICAL STAFF.

MARTHA JEFFERSON HOSPITAL UTILIZES SURPLUS FUNDS TO PURCHASE MEDICAL EQUIPMENT AND FACILITIES DESIGNED TO MEET THE NEEDS OF THE COMMUNITY IT SERVES.

Part VI, Line 6: IN ORDER TO INCREASE ITS ABILITY TO PROVIDE HIGH QUALITY, COMPREHENSIVE HELATH CARE SERVICES TO PATIENTS, THE ORGANIZATION AFFILIATED WITH SENTARA HEALTHCARE SYSTEM EFFECTIVE JUNE 1, 2011. SENTARA, A NOT-FOR-PROFIT HEALTH SYSTEM, OPERATES MORE THAN 100 SITES OF CARE SERVING RESIDENTS ACROSS VIRGINIA AND NORTHEASTERN NORTH CAROLINA. THE SYSTEM IS COMPRISED OF 10 ACUTE CARE HOSPITALS, INCLUDING SEVEN IN HAMPTON ROADS, ONE IN NORTHERN VIRGINIA AND TWO IN THE BLUE RIDGE REGION, ADVANCED IMAGING CENTERS, NURSING AND ASSISTED LIVING CENTERS, OUTPATIENT CAMPUSES, TWO HOME HEALTH AND HOSPICE AGENCIES, A 3,680-PROVIDE MEDICAL STAFF, AND THREE MEDICAL GROUPS WITH 618 PROVIDERS.

THE ORGANIZATION, ALONG WITH ITS SUBSIDIARIES, HAS JOINED WITH SENTARA IN ORDER TO ENHANCE ITS ABILITY TO ACHIEVE BEST PRACTICES IN HEALTHCARE DELIVERY; ACQUIRE CUTTING EDGE TECHNOLOGY AND INTEGRATED INFORMATION SYSTEMS, AND PROVIDE A HIGHER LEVEL OF MEDICAL CARE TO VIRGINIA'S BLUE RIDGE REGION COMMUNITY. COMBINED, THESE ATTRIBUTES BETTER POSITION THE ORGANIZATION TO ADDRESS HELATH CARE REFORM AND OTHER PROFOUND CHANGES AFFECTING THE HEALTHCARE ENVIRONMENT.

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
MARTHA JEFFERSON HOSPITAL

Employer identification number
54-0261840

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? [X] Yes [ ] No

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

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC 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
BLUE RIDGE MEDICAL CENTER 4038 THOMAS NELSON HWY ARRINGTON, VA 22922	54-1222147	501(c)(3)	10000.	0.			DENTAL SERVICES
CHARLOTTESVILLE FREE CLINIC 1138 ROSE HILL DRIVE CHARLOTTESVILLE, VA 22903	54-1610405	501(c)(3)	53000.	0.			RX RELIEF PROGRAM
JEFFERSON AREA CHIP 1469 GREENBRIER PLACE CHARLOTTESVILLE, VA 22901	26-2499048	501(c)(3)	5000.	0.			BRIGHT STARS PROGRAM, DEPT OF SOCIAL SERVICES, PRESCHOOL NETWORK
GREENE CARE CLINIC 39 STANDARD STREET STANDARDSVILLE, VA 22973	72-1602744	501(c)(3)	15000.	0.			COMMUNITY HEALTH
PIEDMONT VIRGINIA COMMUNITY COLLEGE - 501 COLLEGE DRIVE - CHARLOTTESVILLE, VA 22902	54-1268264	501(c)(3)	62350.	0.			COMMUNITY HEALTH
ALZHEIMER'S ASSOCIATION 1160 PEPSI PLACE, SUITE 306 CHARLOTTESVILLE, VA 22901	54-1309570	501(c)(3)	10000.	0.			DENTAL SERVICES FOR UNDERSERVED CHILDREN

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 12.

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

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule I (Form 990) (2011)**

132101 01-27-12

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ORANGE COUNTY FREE CLINIC 13296-A JAMES MADISON HWY ORANGE, VA 22960	25-1922019	501(c)(3)	10000.	0.			COMMUNITY HEALTH
HOSPICE OF THE PIEDMONT 675 PETER JEFFERSON PKWY CHARLOTTESVILLE, VA 22911	52-1205921	501(c)(3)	10000.	0.			PHYCHIATRIC SERVICES
THE WOMEN'S INITIATIVE 1101 EAST HIGH STREET, STE A CHARLOTTESVILLE, VA 22902	20-5913090	501(c)(3)	30000.	0.			MENTAL HEALTH SERVICES
THOMAS JEFFERSON EMS COUNCIL 2205 FONTAINE AVENUE, SUITE 303 CHARLOTTESVILLE, VA 22903	54-1897455	501(c)(3)	27000.	0.			COMMUNITY HEALTH
THOMAS JEFFERSON HEALTH DISTRICT 1138 ROSE HILL DRIVE, #200 CHARLOTTESVILLE, VA 22903	54-1610405	501(c)(3)	10000.	0.			COMMUNITY HEALTH
UNITED WAY 806 EAST HIGH STREET CHARLOTTESVILLE, VA 22902	54-0505882	501(c)(3)	48000.	0.			COMMUNITY HEALTH

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. Part III can be duplicated if additional space is needed.

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

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

Schedule I, Part I, Line 2: MARTHA JEFFERSON HOSPITAL DONATES FUNDS IN FURTHERANCE OF THE HOSPITAL'S MISSION TO IMPROVE THE HEALTH STATUS OF THE COMMUNITY BY MAINTAINING, ENHANCING AND RESTORING PERSONAL HEALTH AND WELL BEING. ASSISTANCE IS GIVEN BASED ON DIRECTION FROM THE BOARD OF DIRECTORS AND COMMUNITY NEED.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization

MARTHA JEFFERSON HOSPITAL

Employer identification number

54-0261840

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification 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 on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	X	
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	X	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director Explain in Part III.			
	☒ 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		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	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		X
b	Any related organization?	6b		X
	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	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9		

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

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts 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 as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 DAVID BERND	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	1060556.	1541673.	1236035.	718589.	24557.	4581410.	0.
2 HOWARD KERN	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	726289.	868885.	16982.	888823.	22035.	2523014.	0.
3 KENNETH KRAKAUR	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	453890.	457834.	91285.	159233.	25586.	1187828.	7755.
4 JAMES E. HADEN	(i)	499900.	60000.	11324.	200364.	21940.	793528.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 AMY BLACK	(i)	188196.	15000.	77210.	14428.	18271.	313105.	70000.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 J. MICHAEL BURRIS	(i)	217313.	15000.	117553.	50353.	19981.	420200.	115000.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 ELLIOT H. KUIDA	(i)	263529.	20000.	126929.	17150.	15742.	443350.	122000.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 MARIJO LECKER	(i)	205484.	15000.	106744.	15664.	17302.	360194.	101500.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 RONALD J. COTTRELL	(i)	203271.	15000.	111206.	38778.	19829.	388084.	62000.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 FINLAY M. ASHBY	(i)	200258.	15000.	74388.	15068.	13741.	318455.	32500.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 SUSAN CABELL MAINS	(i)	184016.	15000.	110228.	54238.	18227.	381709.	54500.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12 RAY R. MISHLER	(i)	151188.	15000.	154028.	38923.	17910.	377049.	70000.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13 JOHN Z. EDWARDS	(i)	466252.	11250.	0.	17150.	15016.	509668.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
14 ROBERT S. PRITCHARD	(i)	375549.	50000.	0.	17150.	15492.	458191.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
15 TEJA SANDEEP	(i)	475250.	0.	0.	17150.	8895.	501295.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16 JACOB N YOUNG	(i)	600657.	60000.	0.	17150.	17205.	695012.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

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

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts 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 as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 GORDON L MORRIS	(i)	375764.	50000.	0.	17150.	13346.	456260.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 DEBORAH L. THEXTON	(i)	142887.	7073.	111921.	10497.	3676.	276054.	50000.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II Also complete this part for any additional information.

Part I, Line 1a: THE INDICATED BENEFITS ARE PROVIDED TO CERTAIN SENIOR EXECUTIVES OF THE ORGANIZATION AS PART OF OVERALL COMPENSATION PACKAGES AND ARE CONSIDERED IN EVALUATING THE REASONABLENESS OF COMPENSATION (SEE FORM 990, PART VI, LINE 15, FOR A DESCRIPTION OF THE PROCESS USED TO DETERMINE EXECUTIVE COMPENSATION).

COUNTRY CLUB MEMBERSHIP FEES AND DUES: PROVIDED FOR CEO, COO AND VICE PRESIDENT, DEVELOPMENT ONLY. SOCIAL CLUB DUES PAID ON BEHALF OF THE ORGANIZATION'S SENIOR EXECUTIVES ARE ALLOCATED BETWEEN BUSINESS AND PERSONAL USE, THE PERSONAL USE OF WHICH IS TREATED AS ADDITIONAL COMPENSATION AND REPORTED ON FORM W-2 AS TAXABLE WAGES.

PERSONAL SERVICES:

FINANCIAL PLANNING - THE CEO RECEIVES ANNUAL PAYMENTS UP TO $4,000, VICE PRESIDENTS RECEIVE UP TO $2,500 EVERY FOUR YEARS AT THE DISCRETION OF THE PRESIDENT/CEO. FINANCIAL PLANNING (I.E. PERSONAL SERVICES) EXPENSES PAID BY OR ON BEHALF OF THE ORGANIZATION'S SENIOR EXECUTIVES ARE TREATED AS ADDITIONAL COMPENSATION AND REPORTED ON FORM W-2 AS TAXABLE WAGES.

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II Also complete this part for any additional information.

Part I, Line 7: THE MANAGEMENT AND SENIOR MANAGEMENT INCENTIVE PLANS RECOGNIZE INDIVIDUALS BASED ON SPECIFIC CRITERIA AND DEFINED ORGANIZATION PERFORMANCE STANDARDS. THOSE PLANS ARE NOT ANNUALLY GUARANTEED AND IMPLEMENTATION WILL DEPEND ON ORGANIZATION-WIDE PERFORMANCE. IF ORGANIZATION-WIDE GOALS ARE NOT MET, THE PRESIDENT/CEO WILL HAVE THE DISCRETION TO DETERMINE ANY VARIATIONS TO THE PLAN.

PART 1, LINE 4b: SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

457(f): JAMES HADEN PARTICIPATES IN THE MARTHA JEFFERSON HEALTH SERVICES CORPORATION NONQUALIFIED RETIREMENT PLAN. THIS IS A SERP WITH TARGET BENEFIT OFFSET BY THE QUALIFIED PENSION PLAN AND SOCIAL SECURITY. ELLIOT KUIDA, FINLAY ASHBY, MICHAEL BURRIS, MARIJO LECKER, AMELIA BLACK, RONALD COTTRELL, SUSAN CABELL MAINS, RAY MISHLER AND DEBORAH THEXTON PARTICIPATE IN THE MARTHA JEFFERSON HEALTH SERVICES CORPORATION NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENT. THIS PLAN REWARDS THE INDIVIDUALS LISTED FOR MEETING TARGET FINANCIAL GOALS ESTABLISHED FOR EACH OF THEM BY THE CEO WITH THE APPROVAL OF THE BOARD, AND AS AN INCENTIVE FOR THE EMPLOYEES TO REMAIN WITH THE EMPLOYER UNTIL THEIR VESTING DATE. THE

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II Also complete this part for any additional information

PLAN TERMINATED IN 2011.

DURING 2011, THE FOLLOWING VESTED DISTRIBUTIONS WERE PAID OUT OF THE 457(f) PLAN:

ELLIOT KUIDA $124,759.20

FINLAY ASHBY $74,387.75

J. MICHAEL BURRIS $117,553.08

MARIJO LECKER $103,462.71

AMY BLACK $74,298.90

RONALD COTTRELL $109,348.19

SUSAN CABELL MAINS $105,464.23

RAY MISHLER $152,440.13

DEBORAH THEXTON $111,920.76

THESE AMOUNTS HAVE BEEN REPORTED IN COLUMN (B)(iii) OF SCHEDULE J, PART II.

HOWARD KERN PARTICIPATES IN THE SENTARA SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN. PARTICIPATION IN THE PLAN IS LIMITED TO SELECT INDIVIDUALS AS APPROVED BY SENTARA HEALTHCARE'S BOARD OF DIRECTOR'S COMPENSATION COMMITTEE. THE PLAN IS CURRENTLY CLOSED TO ADDITIONAL MEMBERS. VESTING

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II Also complete this part for any additional information

OCCURS UPON THE COMPLETION OF A TWO YEAR NON-COMPETE PERIOD FOLLOWING TERMINATION AFTER EARLY RETIREMENT DATE OR UPON DEATH. EARLY RETIREMENT DATE IS WHEN THE EXECUTIVE OBTAINS AT LEAST AGE 55 AND HAS 10 YEARS OF SERVICE AND BENEFITS ARE FORFEITED IF PARTICIPANT LEAVES PRIOR TO AGE 55 WITH 10 YEARS OF SERVICE.

DAVID BERND PARTICIPATES IN AN INDIVIDUAL SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN. VESTING OCCURS EACH DECEMBER 31 AND THE PRESENT VALUE OF THE ADDITIONAL ACCRUAL IS DISTRIBUTED IN A TAXABLE LUMP SUM. FOR 2011, MR. BERND RECEIVED A TOTAL LUMP SUM DISTRIBUTION OF $1,192,399. THIS AMOUNT HAS BEEN REPORTED IN COLUMN(B)(iii) OF SCHEDULE J, PART II.

DAVID BERND AND HOWARD KERN PARTICIPATE IN THE SENTARA OPTION PLAN FOR EXECUTIVES. THIS PLAN IS UNRELATED TO "EQUITY" OF THE EMPLOYER. PARTICIPATION IS LIMITED TO SELECT INDIVIDUALS AS APPROVED BY SENTARA HEALTHCARE'S BOARD OF DIRECTOR'S COMPENSATION COMMITTEE. VESTING IS DETERMINED BY THE GOVERNING BOARD OF SENTARA HEALTHCARE AND IS SEPARATELY STATED IN EACH PARTICIPANT'S OPTION AGREEMENT. THERE WERE NO OPTIONS GRANTED AFTER 2002.

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II Also complete this part for any additional information

DAVID BERND, HOWARD KERN, AND KENNETH KRAKAUR PARTICIPATE IN THE SENTARA CAPITAL ACCUMULATION ACCOUNT PLAN. PARTICIPATION IS LIMITED TO A SELECT GROUP OF CORPORATE EXECUTIVES AS APPROVED BY SENTARA HEALTHCARE'S BOARD OF DIRECTOR'S COMPENSATION COMMITTEE. TERMS OF THE PLAN CHANGED EFFECTIVE JANUARY 1, 2009, WHEREBY VESTING OF CONTRIBUTIONS MADE ON OR AFTER THAT DATE NOW OCCURS ON THE EARLIER OF FIVE YEARS FOR EACH YEARS' CONTRIBUTIONS OR AGE 55 WITH 10 YEARS OF SERVICE. UNDER THE OLD TERMS, VESTING OF CONTRIBUTIONS MADE PRIOR TO JANUARY 1, 2009 OCCURS ON THE EARLIEST OF ASSIGNED DISTRIBUTION DATE, DEATH, INVOLUNTARY TERMINATION WITHOUT CAUSE OR COMPLETION OF TWO-YEAR NON-COMPETE AFTER VOLUNTARY TERMINATION (REGARDLESS OF ORIGINAL ASSIGNED DISTRIBUTION DATE).

DURING 2011, KENNETH KRAKAUR RECEIVED $71,345 IN VESTED DISTRIBUTIONS UNDER THE PLAN. THIS AMOUNT HAS BEEN REPORTED IN COLUMN(B)(iii) OF SCHEDULE J, PART II.

SENTARA HEALTHCARE OWNED A SPOUSAL SURVIVOR SPLIT-DOLLAR LIFE INSURANCE POLICY FOR KENNETH KRAKAUR. THE SPLIT DOLLAR PLAN PROVIDES FOR TRANSFER OF

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II Also complete this part for any additional information.

THE POLICY TO THE PARTICIPANT UPON CERTAIN EVENTS. AT TRANSFER (OR THE PARTICIPANT'S DEATH), THE ORGANIZATION RECOVERS THE PREMIUMS THAT IT HAS PAID.

DURING 2011, THE SPOUSAL SURVIVOR SPLIT-DOLLAR LIFE INSURANCE POLICY FOR KENNETH KRAKAUR WAS SURRENDERED. THE POLICY VALUE REMAINING AFTER REDUCTION FOR CORPORATE RECOVERY OF PREMIUMS AND AFTER TAX ART AMOUNTS WAS $10,147. THIS AMOUNT WAS TREATED AS ADDITIONAL TAXABLE COMPENSATION AND HAS BEEN REPORTED IN COLUMN(B)(iii) OF SCHEDULE J, PART II.

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 Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization: MARTHA JEFFERSON HOSPITAL

Employer identification number: 54-0261840

Part I Bond Issues See Part VI for Columns (a) and (f) Continuations

	(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) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE C	52-1297503	012677CE8	09/25/03	34192283.	REFUNDED BONDS ISSUED JULY 1993		X		X		X
B	ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE C	52-1297503	012663AD2	10/30/08	160795000.	FINANCING FOR REPLACEMENT HOSPI		X		X		X
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	13040000.			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	35292572.	160910173.		
4	Gross proceeds in reserve funds	3029863.			
5	Capitalized interest from proceeds		20817708.		
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	405262.	1424688.		
8	Credit enhancement from proceeds		199290.		
9	Working capital expenditures from proceeds	1098963.	49380.		
10	Capital expenditures from proceeds		137812586.		
11	Other spent proceeds	30758484.			
12	Other unspent proceeds		606521.		
13	Year of substantial completion	2003	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				
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X			X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
2 Is the bond issue a variable rate issue?		X	X					
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X	X					
b Name of provider	N/A		UBS AG STAMFORD BRA					
c Term of hedge			40.0000000					
d Was the hedge superintergrated?		X	X					
e Was the hedge terminated?		X		X				
4a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b Name of provider	N/A		N/A					
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X		X				
5 Were any gross proceeds invested beyond an available temporary period?		X		X				
6 Did the bond issue qualify for an exception to rebate?	X			X				

Part V 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 [X] Yes [ ] No

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K

Schedule K, Part I, Bond Issues:

(a) Issuer Name:

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K.

ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA

(f) Description of Purpose: REFUNDED BONDS ISSUED JULY 1993

(a) Issuer Name:

ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA

(f) Description of Purpose:

FINANCING FOR REPLACEMENT HOSPITAL CONSTRUCTION

SCHEDULE K, PART II, COLUMN A, LINE 3

TOTAL PROCEEDS INCLUDES DSRF EARNINGS SINCE 2003 OF $1,098,137, INTEREST FUND EARNINGS OF $1,454 AND RESIDUAL COI RESERVE TRANSFER TO DSRF FOR $67,410.

SCHEDULE K, PART II, COLUMN B, LINE 3

TOTAL PROCEEDS OF ISSUE INCLUDES EARNINGS OF $115,173 FROM 2009. THERE WERE NO EARNINGS TO REPORT FROM 2010 THROUGH 2011.

SCHEDULE K, PART III, COLUMN A

N/A A POST-2002 REFUNDING ISSUE OF ORIGINAL BONDS DATED PRIOR TO 1/1/2003. TAX PREPARATION SOFTWARE WOULD NOT ACCOMODATE LEAVING THIS SECTION BLANK AND ANSWERED ALL QUESTIONS "NO".

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

OMB No 1545-0047

2011

Open To Public Inspection

Name of the organization: MARTHA JEFFERSON HOSPITAL

Employer identification number: 54-0261840

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) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
Total			▶ $							

Part III Grants or Assistance Benefiting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
MARTHA JEFFERSON PHYSICIAN	SEE BELOW	31752.	ACCOUNTING		X
MARTHA JEFFERSON OUTPATIEN	SEE BELOW	131324.	RENT AND CL		X

Part V Supplemental Information

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

Sch L, Part IV, Business Transactions Involving Interested Persons:

(a) Name of Interested Person:

MARTHA JEFFERSON PHYSICIAN HOSPITAL ORGANIZATION, INC.

(d) Description of Transaction: ACCOUNTING SERVICE

(a) Name of Interested Person:

MARTHA JEFFERSON OUTPATIENT SURGERY CENTER, LLC

(d) Description of Transaction: RENT AND CLEANING SERVICE

PART IV (b)

TRANSACTIONS WITH INTERESTED PERSONS - BOARD/OFFICER/KEY EMPLOYEE OVERLAP WITH TAXABLE ENTITIES

BOARD MEMBERS CAROL HURT AND CHARLES ROTGIN, JR. AND OFFICERS JAMES HADEN AND J. MICHAEL BURRIS ALSO SERVE AS BOARD MEMBERS AND/OR OFFICERS OF MARTHA JEFFERSON PHYSICIAN HOSPITAL ORGANIZATION, INC., A JOINT VENTURE OF THE ORGANIZATION.

BOARD MEMBERS LILLIAN BEVIER AND PETER BROOKS, OFFICER J. MICHAEL BURRIS, AND KEY EMPLOYEE RONALD COTTRELL SERVE AS BOARD MEMBERS OF

Part V Supplemental Information

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

MARTHA JEFFERSON OUTPATIENT SURGERY CENTER, LLC, A JOINT VENTURE OF THE ORGANIZATION.

DIRECTORS/OFFICERS/KEY EMPLOYEES OF THE ORGANIZATION MAY ALSO SERVE AS DIRECTORS/OFFICERS/KEY EMPLOYEES OF RELATED TAXABLE ENTITIES WITHIN THE SENTARA HEALTHCARE SYSTEM. SEE FORM 990 SCHEDULE R FOR A LISTING OF TRANSACTIONS THE ORGANIZATION HAD WITH THESE RELATED TAXABLE ENTITIES.

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization: MARTHA JEFFERSON HOSPITAL

Employer identification number: 54-0261840

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art	X	2	78250.	APPRAISAL
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	12	160703.	COST OR SELLING PRIC
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (GIFTS IN KIND)	X	165	18671.	COST OR SELLING PRIC
26	Other ▶ ( )				
27	Other ▶ ( )				
28	Other ▶ ( )				

29	Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29	1

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a	X	
b	If "Yes," describe in Part II.			
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Schedule M, Part I, Column (b): THE NUMBER OF CONTRIBUTIONS FOR EACH TYPE OF PROPERTY RECEIVED IS CALCULATED USING THE NUMBER OF CONTRIBUTIONS RECORDED, WHICH MAY INCLUDE MULTIPLE ITEMS RECEIVED. CONTRIBUTIONS FROM DONORS WHO GIVE ITEMS THROUGHOUT THE YEAR ARE COUNTED AS SEPARATE CONTRIBUTIONS ON EACH NEW DATE RECEIVED.

Schedule M, Line 32b: MARTHA JEFFERSON HOSPITAL USES EXTERNAL PARTIES TO COORDINATE AN ARMS-LENGTH SALE OF NON-CASH CONTRIBUTIONS. FOR EXAMPLE, A LICENSED STOCK BROKER WAS USED THIS YEAR TO SELL GIFTS OF STOCK.

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 990-EZ 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: MARTHA JEFFERSON HOSPITAL

Employer identification number: 54-0261840

Form 990, Part III, Line 4a, Program Service Accomplishments:

MARTHA JEFFERSON WILL CONDUCT, OR GAIN ACCESS TO, COMMUNITY-NEEDS ASSESSMENTS TO IDENTIFY PROBLEMS ADVERSELY AFFECTING OUR COMMUNITIES' HEALTH STATUS.

MARTHA JEFFERSON WILL REGULARLY INVENTORY HOSPITAL-SPONSORED AND COMMUNITY PROGRAMS WORKING TO MEET THE IDENTIFIED NEEDS OF MEDICALLY UNDERSERVED OR DISADVANTAGED POPULATIONS. AS APPROPRIATE, THESE PROGRAMS WILL BE TRACKED AND EVALUATED FOR THEIR IMPACT ON IDENTIFIED HEALTH STATUS ISSUES. MARTHA JEFFERSON WILL REGULARLY ASSESS ITS ABILITY TO COMMIT RESOURCES, FINANCIAL AND HUMAN, TOWARD HELPING MEET IDENTIFIED NEEDS.

ACCESS TO HEALTHCARE: MARTHA JEFFERSON ACCEPTS PATIENTS REGARDLESS OF THEIR ABILITY TO PAY FOR HEALTHCARE SERVICES. THE HOSPITAL ASSISTS PATIENTS WITH FINANCIAL NEEDS THROUGH THE MARTHA JEFFERSON HEALTHTRUST, A PROGRAM THAT PROVIDES A SLIDING FEE SCALE FOR HOSPITAL PATIENTS WHO QUALIFY BASED ON FAMILY INCOME UP TO 300 PERCENT OF POVERTY LEVEL. FINANCIAL ASSISTANCE IS BASED ON A REVIEW OF THE PATIENT'S FINANCIAL CIRCUMSTANCES UPON ADMISSION OR THE SERVICE DATE. BECAUSE MARTHA JEFFERSON DOES NOT PURSUE COLLECTION OF THE AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, SUCH AMOUNTS ARE NOT REPORTED AS A COMPONENT OF PATIENT SERVICE REVENUES.

MARTHA JEFFERSON DEFINES CHARITY CARE AS CARE FOR WHICH COLLECTION IS NOT ATTEMPTED (I.E. INDIGENT CARE) AND OPERATING COSTS FOR SERVICES RENDERED FOR MEDICAID PATIENTS THAT ARE IN EXCESS OF REIMBURSEMENT FROM STATE AGENCIES. THE PERCENTAGE OF PATIENTS RECEIVING SOME FORM OF CHARITY ASSISTANCE 16.27%. ADDITIONAL CHARITY CARE INFORMATION IS

Name of the organization: MARTHA JEFFERSON HOSPITAL | Employer identification number: 54-0261840

PROVIDED ON SCHEDULE H.

IN ADDITION TO PROVIDING UNCOMPENSATED CARE, MARTHA JEFFERSON HAS ESTABLISHED SPECIAL ACCOUNTS TO PROVIDE FREE DIAGNOSTIC SERVICES FOR PATIENTS REFERRED BY THE CHARLOTTESVILLE FREE CLINIC AND THE FREE CLINIC OF GREENE COUNTY. THROUGHOUT THE YEAR, COMMUNITY HEALTH SCREENINGS AND REDUCED-FEE SERVICES PROVIDED OTHER MEANS OF ACCESS TO HEALTHCARE FOR PEOPLE ACROSS CENTRAL VIRGINIA. PHYSICIANS EMPLOYED BY MARTHA JEFFERSON HOSPITAL HAVE OFFICES THROUGHOUT CHARLOTTESVILLE AND IN SEVEN SURROUNDING COUNTIES INCLUDING ALBEMARLE, BUCKINGHAM, LOUISA, MADISON, GREENE, FLUVANNA AND NELSON, WHICH PROVIDE ACCESS TO HEALTHCARE IN MANY RURAL AREAS WITHOUT REGARD TO ONE'S ABILITY TO PAY. DURING 2011, THE MEDICAL STAFF CONSISTED OF JUST OVER 400 PHYSICIANS REPRESENTING 35 MEDICAL SPECIALTIES.

MARTHA JEFFERSON HOSPITAL ALSO OPERATES AN EMERGENCY DEPARTMENT, WHICH IS STAFFED 24-HOURS A DAY/7 DAYS A WEEK BY BOARD-CERTIFIED PHYSICIANS AND SPECIALLY TRAINED NURSES AND SUPPORT STAFF. ADDITIONALLY, THE HOSPITAL OPERATES A FREE-STANDING EMERGENCY DEPARTMENT.

DURING THE PERIOD OF OCTOBER 1, 2011 - DECEMBER 31, 2011, MARTHA JEFFERSON HOSPITAL SERVED THE COMMUNITY BY WAY OF 2,709 INPATIENT ADMISSIONS; 56,244 OUTPATIENT ACCOUNTS; 12,229 EMERGENCY DEPARTMENT VISITS; 1,541 OPERATING ROOM VISITS; AND 40,837 PHYSICIAN OFFICE VISITS. IN ADDITION, MARTHA JEFFERSON OFFERED OR SUPPORTED MANY PROGRAMS AND SERVICES IN OUR COMMUNITY, WHICH ARE DETAILED BELOW.

EDUCATIONAL PROGRAMS: AN IMPORTANT PART OF OUR COMMUNITY OUTREACH IS CENTERED ON EDUCATIONAL PROGRAMS AND TRAINING. WHEN A FAMILY IS PREPARING TO DELIVER A BABY AT MARTHA JEFFERSON, SIBLING TOURS, BREASTFEEDING CLASSES AND PEDIATRIC CPR ARE OFFERED AS WELL AS CLASSES CENTERED ON PREPARING FOR CHILDBIRTH AND BECOMING A PARENT. ONCE THE

Name of the organization: MARTHA JEFFERSON HOSPITAL | Employer identification number: 54-0261840

BABY HAS BEEN DELIVERED HOWEVER, THE EDUCATION DOESN'T STOP. A BRUNCH IS HELD DAILY FOR NEW FAMILIES BEFORE THEY ARE DISCHARGED. DURING THIS TIME FAMILIES LEARN HOW TO CALM THEIR CRYING BABY, THE DANGERS OF SUDDEN INFANT DEATH SYNDROME AND HOW TO GET A BIG BROTHER OR SISTER WARMED UP TO THE IDEA OF SHARING MOM AND DAD. OTHER EDUCATIONAL CLASS OFFERINGS AT MARTHA JEFFERSON INCLUDE; POSTOPERATIVE BREAST REHABILITATION, PREPARING FOR A HYSTERECTOMY, POST-HYSTERECTOMY REHAB, ADVANCED MEDICAL PLANNING, STRESS MANAGEMENT, UNDERSTANDING VASCULAR DISEASE, CARDIAC REHABILITATION AND PULMONARY REHABILITATION.

CONTINUED IN PROGRAM SERVICE TWO

Form 990, Part III, Line 4b, Program Service Accomplishments:

FOR NURSING STUDENTS OF UVA, JMU, PVCC, BLUE RIDGE COMMUNITY COLLEGE, BRYANT AND STRATTON SCHOOL OF NURSING, WALDEN UNIVERSITY AND GERMANNA COMMUNITY COLLEGE.

HOSPITAL SERVICES: MARTHA JEFFERSON HOSPITAL OFFERS MANY PROGRAMS THAT HELP PATIENTS BOTH GET ACCLIMATED WITH OUR SYSTEM, AND ALSO NAVIGATE THE HOSPITAL AS NEEDS ARISE.

HEALTH CONNECTION, OUR PHYSICIAN REFERRAL, PATIENT EDUCATION AND INFORMATION SERVICE TAKES 120 CALLS ON A DAILY BASIS. THEY'RE ABLE TO HELP NEW MEMBERS OF THE COMMUNITY FIND A PHYSICIAN, ENROLL PEOPLE IN THE VARIOUS CLASSES THE HOSPITAL OFFERS AND PROVIDE SUPPORT FOR SPECIFIC MEDICAL NEEDS.

FOR PEOPLE UNDERGOING CANCER TREATMENTS AT MARTHA JEFFERSON HOSPITAL, WE PROVIDE A CANCER CARE CENTER. THE CENTER SERVES AS A RESOURCE FOR PATIENTS FROM THE MOMENT THEY ARE DIAGNOSED THROUGH THEIR ENTIRE LINE OF INTERACTIONS AT THE HOSPITAL, AND IN MANY CASES EVEN CONTINUES AFTER THEY ARE ARE NO LONGER COMING FOR VISITS. STAFF MEMBERS ARE DEDICATED

TO HELPING PATIENTS DEAL WITH THE EMOTIONS THAT GO ALONG WITH BEING DIAGNOSED WITH CANCER, FITTING THEM WITH COMPLIMENTARY WIGS AND SCARVES TO USE DURING TREATMENT AND JUST BEING FRIENDS THROUGHOUT THE PROCESS. MARTHA JEFFERSON HOSPITAL ALSO OFFERS A PALLIATIVE CARE PROGRAM. WHEN A PERSON IS FACING A SERIOUS OR ADVANCING ILLNESS, THE ACCOMPANYING PHYSICAL, EMOTIONAL AND SPIRITUAL ISSUES CAN DRAMATICALLY AFFECT THE EXPERIENCE AND OFTEN QUALITY OF LIFE FOR PATIENTS AND LOVED ONES. OVER THE PAST FIVE YEARS MORE THAN 1,000 LOCAL FAMILIES HAVE BENEFITTED FROM CONSULTATIONS BY A MULTIDISCIPLINARY TEAM PROVIDING PALLIATIVE CARE AT MARTHA JEFFERSON HOSPITAL. THE CAREGIVERS FOCUS ON DELIVERING A UNIQUE COMBINATION OF SPECIAL EXPERTISE IN PAIN AND SYMPTOM MANAGEMENT AND COORDINATE CARE AMONG A MULTIPLICITY OF PHYSICIANS INVOLVED WHEN AN INDIVIDUAL IS SERIOUSLY ILL AND DEDICATE THE TIME NEEDED FOR PATIENT-FAMILY COMMUNICATION ABOUT GOALS OF CARE AND THE EMOTIONAL AND SPIRITUAL STRUGGLES THAT OFTEN ACCOMPANY A LIFE-CHANGING ILLNESS.

IN ADDITION TO THE ABOVE MENTIONED PROGRAMS, MARTHA JEFFERSON HOSPITAL ALSO OFFERS THE FOLLOWING: CHAPLAINCY PROGRAM, PATIENT ADVOCATE PROGRAM, WEBSITE WITH INTEGRATED HEALTH INFORMATION (WWW.MARTHAJEFFERSON.ORG), A HEALTH SOURCE LIBRARY AND A WOMEN'S MIDLIFE RESOURCE CENTER. MARTHA JEFFERSON HOSPITAL HELD 'UNWANTED MEDICATION TAKE BACK DAY' WHICH WAS A DRIVE-THROUGH EVENT ALLOWING ANY AND ALL IN OUR COMMUNITY TO DROP OFF UNWANTED MEDICATIONS AND MEDICAL SHARPS FOR PROPER DISPOSAL.

COMMUNITY EVENTS AND HEALTH SCREENINGS: HEALTH SCREENINGS ARE AN IMPORTANT SERVICE OFFERED BY MARTHA JEFFERSON. THE FOLLOWING SCREENINGS ARE HELD ANNUALLY: SKIN CANCER SCREENING, BREAST HEALTH SCREENING, DIABETES SCREENING.

Name of the organization: MARTHA JEFFERSON HOSPITAL | Employer identification number: 54-0261840

IN ADDITION TO THE SCREENING EVENTS, WE ALSO HOST EVENTS FOR THE COMMUNITY THAT PROMOTE WELLNESS. EACH SPRING THE CELEBRATION OF LIFE IS HELD FOR CANCER PATIENTS, SURVIVORS AND THEIR FAMILIES. THE AFTERNOON IS FILLED WITH FOOD, SALSA DANCING, GAMES AND MUSIC AND PROVIDES A CHANCE FOR MEMBERS OF THE COMMUNITY TO CELEBRATE THEIR LIFE. WE ALSO HOLD FOOD AND SHOE DRIVES TO HELP PROVIDE MUCH NEEDED ITEMS TO PEOPLE IN OUR COMMUNITY. ANNUALLY, WE HOST THE MJ8K RUN AND WALK TO BENEFIT COMMUNITY EDUCATION SERVICES AND MARTHA'S MARKET, WHICH HELPS FUND CANCER SERVICES AND SUPPORT WELLNESS INITIATIVES.

NUTRITION PROGRAMS: AS HEALTHCARE PROVIDERS, OUR GOAL IS TO KEEP THE MEMBERS OF OUR COMMUNITY HEALTHY AND FEELING WELL. AT MARTHA JEFFERSON HOSPITAL WE OFFER A VARIETY OF PROGRAMS THAT ALLOW PEOPLE ACCESS TO INFORMATION THAT THEN HELPS THEM MAKE EDUCATED NUTRITION CHOICES. FOR STARTERS, ONE OF OUR REGISTERED DIETICIANS TAKES LEARNING ON LOCATION THROUGH OUR SUPERMARKET SMARTS CLASSES. THROUGH A PARTNERSHIP WITH GIANT FOOD, PEOPLE ARE ABLE TO GET HANDS-ON EXPERIENCE WHEN IT COMES TO MAKING HEALTHY DECISIONS AT THE GROCERY. WE ALSO PROVIDE HEART HEALTHY NUTRITION, DIABETES NUTRITION AND NUTRITION TIPS FOR INDIVIDUALS WITH CANCER.

IN ADDITION TO OUR CLASSES, MARTHA JEFFERSON HAS A PRESENCE ACROSS THE LOCAL MEDIA AIRWAVES. NUTRITION TIPS AND TIMELY INFORMATION IS GIVEN BY ONE OF OUR REGISTERED DIETICIANS THROUGH DAILY RADIO SPOTS, A WEEKLY TELEVISION SEGMENT, AND VARIOUS PRINT OPPORTUNITIES.

SUPPORT GROUPS: MARTHA JEFFERSON HOSPITAL OFFERS SUPPORT GROUPS OF A WIDE VARIETY TO OUR PATIENTS AND MEMBERS OF THE COMMUNITY. GROUPS MEET ON A REGULAR BASIS AND HELP PROVIDE A SAFE COMMUNITY WHERE PEOPLE CAN SHARE STORIES, REFLECT ON THEIR EXPERIENCES, AND GAIN KNOWLEDGE FROM WHAT OTHERS ARE GOING THROUGH. THE FOLLOWING ARE JUST SOME OF THE

Name of the organization: MARTHA JEFFERSON HOSPITAL
Employer identification number: 54-0261840

TOPICS WE OFFER: WELCOME TO MOTHERHOOD, BREAST CANCER SUPPORT, FAMILY CANCER SUPPORT, HODGKIN'S AND LYMPHOMA SUPPORT, CARDIAC REHAB SUPPORT AND SLEEP APNEA SUPPORT.

PROGRAM SUPPORT/UNDERWRITING: MARTHA JEFFERSON PROVIDES MEDICAL IMAGING, LABORATORY SERVICE AND OUTPATIENT DIAGNOSTIC SERVICE ACCESS TO THE CLIENTS OF THE CHARLOTTESVILLE FREE CLINIC (CFC) AND GREENE FREE CLINIC (GFC). THIS ACCESS SUPPORTS PRIMARY CARE SERVICES FOR THE WORKING UNINSURED MEMBERS OF OUR COMMUNITIES. THE HOSPITAL IS ALSO DEDICATED TO SUPPORTING HEADSTART WHICH FOCUSES ON CHILD DENTAL SERVICES AND GIVES IN-KIND DONATIONS TO THE WOMEN'S INITIATIVE, PACEM (PEOPLE AND CONGREGATIONS ENGAGED IN MINISTRY) AND EMT TRAINING THROUGH THE THOMAS JEFFERSON EMERGENCY MEDICAL COUNCIL.

Form 990, Part VI, Section A, line 2: THE ORGANIZATION'S OFFICERS AND DIRECTORS SERVE TOGETHER ON THE BOARDS OF OTHER TAXABLE ORGANIZATIONS WITHIN THE SENTARA HEALTHCARE SYSTEM ("THE SYSTEM"), AS WELL AS JOINT VENTURES IN WHICH THE SYSTEM HAS AN OWNERSHIP INTEREST. SEE SCHEDULE R FOR A LISTING OF SUCH ENTITIES.

DAVID BERND AND HOWARD KERN HAVE A BUSINESS RELATIONSHIP THROUGH COMMON OWNERSHIP OF AN ENTITY UNRELATED TO THE ORGANIZATION.

Form 990, Part VI, Section A, line 6: SENTARA HEALTHCARE, A 501(c)(3) TAX EXEMPT ORGANIZATION, IS THE SOLE MEMBER OF MARTHA JEFFERSON HOSPITAL.

Form 990, Part VI, Section A, line 7a: BOARD CANDIDATES IDENTIFIED BY THE ORGANIZATION'S NOMINATION COMMITTEE MUST BE RATIFIED BY THE BOARD OF DIRECTORS OF THE ORGANIZATION'S SOLE MEMBER, SENTARA HEALTHCARE, PRIOR TO

Name of the organization: MARTHA JEFFERSON HOSPITAL | Employer identification number: 54-0261840

ELECTION.

Form 990, Part VI, Section A, line 7b: THE ORGANIZATION MAY NOT TAKE OR ALLOW ANY OF THE FOLLOWING GOVERNANCE ACTIONS WITHOUT THE CONSENT OF ITS 501(c)(3) SOLE MEMBER, SENTARA HEALTHCARE: APPROVAL OR ADOPTION OF ANY PLAN OR MERGER OR CONSOLIDATION, ANY SALE, LEASE, EXCHANGE, MORTGAGE, PLEDGE OR OTHER DISPOSITION OF ALL, OR SUBSTANTIALLY ALL, THE PROPERTY AND ASSETS OF THE ORGANIZATION, THE VOLUNTARY DISSOLUTION OR LIQUIDATION OF THE ORGANIZATION, REVOCATION OF ANY SUCH VOLUNTARY DISSOLUTION PROCEEDINGS, OR ANY DECISION TO FILE A PETITION REQUESTING OR CONSENTING TO AN ORDER FOR RELIEF UNDER THE FEDERAL BANKRUPTCY LAWS OR SIMILAR STATE LAWS FOR THE ORGANIZATION; ELECTION OF NEW BOARD MEMBERS; OR ALTERATION, AMENDMENT, RESTATEMENT OR REPEAL OF ANY ORGANIZING OR ENABLING DOCUMENTS OR BYLAWS.

THE APPROVAL OF THE SOLE MEMBER IS ALSO REQUIRED FOR CERTAIN OPERATIONAL ACTIONS, AS OUTLINED IN THE ORGANIZATION'S BYLAWS. SUCH ACTIONS INCLUDE, BUT ARE NOT LIMITED TO, APPROVAL OF LONG-RANGE AND STRATEGIC PLANS AND ANNUAL OPERATING AND CAPITAL BUDGETS; TRANSACTIONS WITH INTERESTED PERSONS; CREATION OR ACQUISITION OF SUBSIDIARIES OR INTERESTS IN WHICH THE ORGANIZATION WILL BE A MEMBER; ENTRANCE INTO JOINT VENTURE OR OTHER SIMILAR ARRANGEMENTS; EMPLOYMENT MATTERS CONCERNING THE ORGANIZATION'S CHIEF EXECUTIVE OFFICER; AND THE COMMENCEMENT OR SETTLEMENT OF LITIGATION.

SENTARA HEALTHCARE HAS EXCLUSIVE AUTHORITY TO DIRECT AND MANAGE THE OPERATIONS AND AFFAIRS OF THE HOSPITAL AND TO MAKE ALL DECISIONS REGARDING THE BUSINESS OF THE ORGANIZATION, SUBJECT TO BOARD OVERSIGHT TO THE EXTENT AND IN THE MANNER SET FORTH IN THE ORGANIZATION'S BYLAWS.

Name of the organization: MARTHA JEFFERSON HOSPITAL

Employer identification number: 54-0261840

Form 990, Part VI, Section B, line 11: THE ANNUAL AUDITED FINANCIALS OF MARTHA JEFFERSON HOSPITAL ARE REVIEWED BY SENTARA HEALTHCARE IN ADDITION TO THE MARTHA JEFFERSON HOSPITAL BOARD'S REVIEW. PRIOR TO FILING THE FORM 990 WITH THE IRS, IT IS REVIEWED BY THE FINANCE TEAM, INCLUDING THE CHIEF FINANCIAL OFFICER. IT IS ALSO REVIEWED BY SENTARA HEALTHCARE'S TAX DIRECTOR. MARTHA JEFFERSON HOSPITAL WILL SUBMIT THE INTERNAL REVENUE SERVICE FORM 990 FOR THE PRECEDING FISCAL YEAR TO THE CEO EVALUATION COMMITTEE OF THE MARTHA JEFFERSON HOSPITAL BOARD OF DIRECTORS IN THE RESPECTIVE MEETING FOLLOWING THE FILING OF THE FORM 990. IN ADDITION, THE FORM 990 WILL BE PROVIDED TO THE MARTHA JEFFERSON HOSPITAL BOARD OF DIRECTORS AT THE MEETING FOLLOWING THE FILING OF THE FORM 990. MARTHA JEFFERSON HOSPITAL WILL ALSO ADVISE BOARD MEMBERS OF THE WEBSITE ADDRESS AT WHICH THE FILED FORM 990 WILL BE POSTED (WWW.GUIDESTAR.ORG/990).

Form 990, Part VI, Section B, Line 12c: MARTHA JEFFERSON HOSPITAL'S CONFLICT OF INTEREST POLICY IS ADMINISTERED BY THE CORPORATE COMPLIANCE OFFICER. ON AN ANNUAL BASIS ALL DIRECTORS, TRUSTEES, OFFICERS, KEY EMPLOYEES, MEDICAL STAFF MEMBERS WITH ADMINISTRATIVE RESPONSIBILITIES AND OTHER EMPLOYEES COMPLETE A DETAILED CONFLICT OF INTEREST QUESTIONNAIRE DISCLOSING ANY REPORTABLE ACTIVITIES AND INVESTMENTS. THESE QUESTIONNAIRES ARE REVIEWED BY THE CORPORATE COMPLIANCE OFFICER. IN ADDITION, ALL PERSONS LISTED ABOVE ARE ANNUALLY PROVIDED A COPY OF THE CONFLICT OF INTEREST POLICY. IF CHANGES TO PERSONNEL OCCUR BETWEEN ANNUAL COMPLETION OF THE CONFLICT OF INTEREST QUESTIONNAIRE, NEW PERSONNEL ARE ALSO REQUIRED TO COMPLETE THE QUESTIONNAIRE. ALL DISCLOSURE STATEMENTS ARE REVIEWED FOR REPORTABLE TRANSACTIONS.

Form 990, Part VI, Section B, Line 15: THE ORGANIZATION HAS AN ESTABLISHED

Name of the organization: MARTHA JEFFERSON HOSPITAL | Employer identification number: 54-0261840

CEO EVALUATION COMMITTEE MADE UP OF HOSPITAL BOARD MEMBERS AND COMMITTEE MEMBERS. ON AN ANNUAL BASIS, A THIRD PARTY COMPENSATION CONSULTING FIRM PROVIDES AN INDEPENDENT REVIEW AND ANALYSIS OF BASE AND TOTAL COMPENSATION AND EXECUTIVE PERQUISITES USING MARKET COMPARABILITY DATA. THE CONSULTING FIRM RENDERS AN OPINION ON THE FAIR MARKET VALUE OF COMPENSATION PAID AND BENEFITS PROVIDED WITH RESPECT TO THE IRS INTERMEDIATE SANCTIONS REGULATIONS. THE PROCESS IS FOLLOWED FOR THE FOLLOWING POSITIONS: CEO, VICE PRESIDENTS, EMPLOYED PHYSICIANS.

FORM 990, PART VI, SECTION B, LINE 16b

AT DECEMBER 31, 2011 MARTHA JEFFERSON HOSPITAL DID NOT HAVE A SPECIFIC JOINT VENTURE POLICY. ANY PROPOSED JOINT VENTURE PARTICIPATION IS EVALUATED WITHIN THE CONTEXT OF THE ADMINISTRATIVE POLICY ENTITLED "AUTHORITY TO COMMIT AND EXPEND FUNDS". THIS POLICY DEPICTS THE TYPES AND LEVELS OF EXPENDITURES AND COMMITMENTS THAT MANAGEMENT CAN UNDERTAKE. ALL PROPOSED JOINT VENTURES ARE REVIEWED BY EXTERNAL LEGAL COUNSEL TO ENSURE COMPLIANCE WITH THE APPROPRIATE FEDERAL, STATE AND REGULATORY LAW. ANY JOINT VENTURE PARTICIPATION MUST BE EVALUATED AND APPROVED BY THE MARTHA JEFFERSON HOSPITAL BOARD OF DIRECTORS. A SPECIFIC JOINT VENTURE PARTICIPATION POLICY IS CURRENTLY IN PROCESS OF DEVELOPMENT.

Form 990, Part VI, Section C, Line 19: THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART VII, SECTION A

HOURS DEVOTED TO RELATED ORGANIZATIONS

JAMES HADEN DEVOTED AN AVERAGE OF 16 HOURS PER WEEK TO RELATED

Name of the organization: MARTHA JEFFERSON HOSPITAL | Employer identification number: 54-0261840

ORGANIZATIONS.

J. MICHAEL BURRIS DEVOTED AN AVERAGE OF 11 HOURS PER WEEK TO RELATED ORGANIZATIONS.

ELLIOT KUIDA DEVOTED AN AVERAGE OF 3 HOURS PER WEEK TO RELATED ORGANIZATIONS.

DAVID BERND DEVOTED AN AVERAGE OF 49 HOURS PER WEEK TO RELATED ORGANIZATIONS.

HOWARD KERN DEVOTED AN AVERAGE OF 50 HOURS PER WEEK TO RELATED ORGANIZATIONS.

KENNETH KRAKAUR DEVOTED AN AVERAGE OF 48 HOURS PER WEEK TO RELATED ORGANIZATIONS.

WILLIAM ACHENBACH DEVOTED AN AVERAGE OF 3 HOURS PER WEEK TO RELATED ORGANIZATIONS.

LILLIAN BEVIER DEVOTED AN AVERAGE OF 1 HOUR PER WEEK TO RELATED ORGANIZATIONS.

RAY MURPHY DEVOTED AN AVERAGE OF 1 HOUR PER WEEK TO RELATED ORGANIZATIONS.

Form 990, Part XI, line 5, Changes in Net Assets:

TRANSFER FROM MJH FOUNDATION	2919239.
INCREASE IN ADDITIONAL MINIMUM PENSION LIABILITY	-3853319.
NET UNREALIZED GAINS ON CHARITABLE TRUSTS	70798.
NET PLEDGE ACTIVITY	-13511.
INTEREST RATE SWAP VALUATION	-3998832.
FMV ADJUSTMENTS	86302.
DEEMED DISTRIBUTION FROM CFC NOT ON BOOKS	-195145.
SUBPART F INCOME NOT ON BOOKS	-63534.

Name of the organization: MARTHA JEFFERSON HOSPITAL

Employer identification number: 54-0261840

Total to Form 990, Part XI, Line 5 -5048002.

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
MARTHA JEFFERSON HOSPITAL

Employer identification number
54-0261840

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to 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
MARTHA JEFFERSON MEDICAL GROUP, LLC - 26-1126956, 500 MARTHA JEFFERSON DRIVE, CHARLOTTESVILLE, VA 22911	PHYSICIAN PRACTICES	Virginia	7475248.	3210067.	MARTHA JEFFERSON HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
MARTHA JEFFERSON HEALTH SERVICES CORPORATION - 54-1401355, 500 MARTHA JEFFERSON DRIVE, CHARLOTTESVILLE, VA 22911	COMMUNITY HEALTHCARE	Virginia	501(C)(3)	11 TYPE I	N/A		X
MJH FOUNDATION - 54-1401357 500 MARTHA JEFFERSON DRIVE CHARLOTTESVILLE, VA 22911	INVESTMENT & MANAGEMENT SERVICES FOR MARTHA JEFFERSON HOSPITAL	Virginia	501(C)(3)	11 TYPE I	MARTHA JEFFERSON HOSPITAL	X	
MARTHA JEFFERSON HOSPITAL FOUNDATION - 30-0041113, 500 MARTHA JEFFERSON DRIVE, CHARLOTTESVILLE, VA 22911	FUNDRAISING	Virginia	501(C)(3)	11 TYPE I	MARTHA JEFFERSON HOSPITAL	X	
SENTARA HEALTHCARE - 52-1271901 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	HEALTH CARE	Virginia	501(C)(3)	7	N/A		X

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization? Yes	(g) No
SENTARA PRINCESS ANNE HOSPITAL - 52-1277419 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	HEALTH CARE	Virginia	501(C)(3)	3	SENTARA HOSPITALS	X	
SENTARA HOSPITALS - 54-1547408 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	HEALTH CARE	Virginia	501(C)(3)	3	SENTARA HEALTHCARE	X	
SENTARA MEDICAL GROUP - 54-1217184 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	HEALTH CARE	Virginia	501(C)(3)	9	SENTARA HEALTHCARE	X	
SENTARA LIFE CARE CORP - 54-1217183 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	HEALTH CARE	Virginia	501(C)(3)	9	SENTARA HEALTHCARE	X	
MPB, INC. - 54-1346393 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	TITLE HOLDING COMPANY	Virginia	501(C)(2)		SENTARA ENTERPRISES	X	
OPTIMA HEALTH PLAN - 54-1283337 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	HMO	Virginia	501(C)(3)	11A - I	SENTARA HEALTHCARE	X	
POTOMAC HOSPITAL CORP OF PRINCE WILLIAM - 54-0853898, 6015 POPLAR HALL DRIVE, NORFOLK, VA 23502	HEALTH CARE	Virginia	501(C)(3)	3	SENTARA HEALTHCARE	X	
ROCKINGHAM MEMORIAL HOSPITAL - 54-0506331 2010 HEALTH CAMPUS DRIVE HARRISONBURG, VA 22801	HEALTH CARE	Virginia	501(C)(3)	3	SENTARA HEALTHCARE	X	
VALLEY WELLNESS CENTER - 52-1309257 501 STONE SPRING ROAD HARRISONBURG, VA 22801	PREVENTATIVE HEALTH/REHAB	Virginia	501(C)(3)	9	ROCKINGHAM MEMORIAL HOSPITAL	X	
SENTARA ENTERPRISES - 54-1917649 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	HEALTH CARE	Virginia	501(C)(3)	9	SENTARA HEALTHCARE	X	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? 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
MARTHA JEFFERSON OUTPATIENT SURGERY CENTER, LLC - 11-3656095, 595 PETER JEFFERSON PARKWAY,	OUTPATIENT SURGERY CENTER	VA	MARTHA JEFFERSON HOSPITAL	RELATED	992153.	1511085.		X	N/A	X		51.84%
PHYSICAL THERAPY @ ACAC, LLC - 26-0080717, 501 ALBEMARLE SQUARE, CHARLOTTESVILLE, VA 22901	PHYSICAL THERAPY	VA	MARTHA JEFFERSON MEDICAL ENTERPRISES,	UNRELATED	122296.	293303.		X	N/A	X		50.00%
MANAGEMENT SERVICES - 54-1365012, 814 GREENBRIER CIR, CHESAPEAKE, VA 23320	HEALTH MANAGEMENT SERVICES	VA	N/A	N/A				X	N/A		X	
OBICI REAL ESTATE HOLDINGS LLC - 26-1749881, 6015 POPLAR HALL DRIVE, NORFOLK, VA 23502	REAL ESTATE RENTAL	VA	N/A	N/A				X	N/A		X	

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to 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
MARTHA JEFFERSON MEDICAL ENTERPRISES, INC. - 54-1841528, 630 PETER JEFFERSON PARKWAY, CHARLOTTESVILLE, VA 22911	MEDICAL BILLING SERVICE	VA	MARTHA JEFFERSON HOSPITAL	C CORP	903729.	391694.	100%
SENTARA HOLDINGS INC. - 54-1555638 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	HOLDING COMPANY	VA	N/A	C CORP			
SENTARA HEALTH PLANS INC. - 52-2368125 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	TPA	VA	N/A	C CORP			
OPTIMA HEALTH GROUP - 54-1473382 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	HMO	VA	N/A	C CORP			
OPTIMA HEALTH INSURANCE COMPANY - 54-1642752 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	HEALTH INSURANCE	VA	N/A	C CORP			

See Part VII for Continuations

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? 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
PRINCESS ANNE AMB SURG CENTER - 20-4920880, 1975 GLENN MITCHELL DRIVE, VA BEACH, VA 23456	HEALTH CARE	VA	N/A	N/A				X	N/A		X	
VA BEACH AMBULATORY SURG CENTER - 54-1448218, 1700 WILL O WISP DR, VA BEACH, VA 23454	HEALTH CARE	VA	N/A	N/A				X	N/A		X	
AMER HEALTH EVAL CTR - WMSBG - 26-3761741, P.O. BOX 3508, WILLIAMSBURG, VA 23187	HEALTH CARE	VA	N/A	N/A				X	N/A		X	
CANCER CENTERS OF VA, LLC - 20-1338518, 5900 LAKE WRIGHT DR, NORFOLK, VA 23502	HEALTH CARE	VA	N/A	N/A				X	N/A		X	
HAMPTON ROADS LITHOTRIPSY, LLC - 20-0942600, 225 CLEARFIELD AVE, VA BEACH, VA 23502	HEALTH CARE	VA	N/A	N/A				X	N/A		X	
HEALTHCARE PERFORMANCE IMPROVEMENT, LLC - 20-4024074, 5041 CORPORATE WOODS DR, VA BEACH, VA 23462	CONSULTING	VA	N/A	N/A				X	N/A		X	
RADIOLOGY SERVICES OF HAMPTON ROADS, L.C. - 54-1774472, 814 GREENBRIER CIR, CHESAPEAKE, VA 23320	HEALTH CARE	VA	N/A	N/A				X	N/A	X		
CAREPLEX ORTHO ASC, LLC - 27-1867311, 3000 COLISEUM DRIVE, HAMPTON, VA 23666	HEALTH CARE	VA	N/A	N/A				X	N/A		X	
SENTARA OBICI AMBULATORY SURGERY, LLC - 26-0144898, 2750 GODWIN BLVD, SUFFOLK, VA 23434	HEALTH CARE	VA	N/A	N/A				X	N/A		X	

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? 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
ST LUKES PROPERTIES, LLC - 27-2774684, 6015 POPLAR HALL DRIVE, NORFOLK, VA 23502	MOB RENTAL	VA	N/A	N/A				X	N/A	X		
POTOMAC INOVA HEALCARE ALLIANCE, LLC - 54-1802733, 8110 GATEHOUSE ROAD, FALLS CHURCH, VA 22042	HEALTH CARE	VA	N/A	N/A				X	N/A		X	
CAREPLEX WEST, LLC - 20-2738977, 18000 W SARAH LANE, BROOKFIELD, WI 53045	RENTAL RE	WI	N/A	N/A				X	N/A		X	
PORT WARWICK II. LLC - 20-2739075, 18000 W SARAH LANE, BROOKFIELD, WI 53045	RENTAL RE	WI	N/A	N/A				X	N/A		X	
ORTHOPAEDIC HOSPITAL MGT, LLC - 27-4185117, 3000 COLISEUM DRIVE, HAMPTON, VA 23666	MGT SVCS	VA	N/A	N/A				X	N/A		X	
PORT WARWICK III. LLC - 61-1499371, 18000 W SARAH LANE, BROOKFIELD, WI 53045	RENTAL RE	WI	N/A	N/A				X	N/A		X	
VALIANCE HEALTH, LLC - 54-1866081, 3190 PEOPLE'S DR, HARRISONBURG, VA 22801	HEALTH CARE	VA	N/A	N/A				X	N/A		X	

Part IV Continuation of 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
OPTIMA BEHAVIORAL HEALTH SERVICES - 62-1382666 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	MENTAL HEALTH SVCS	VA	N/A	C CORP			
SENTARA VENTURES, INC. - 54-1688615 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	HOLDING COMPANY	VA	N/A	C CORP			
SMG INNOVATIONS, INC. - 20-3730331 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	HEALTH CARE	VA	N/A	C CORP			
SENTARA OBICI PROFESSIONAL CENTER - 54-1445865 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	RE RENTAL	VA	N/A	C CORP			
SENTARA OBICI MED MGT SERVICES - 54-1020941 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	HEALTH CARE	VA	N/A	C CORP			
ROCKINGHAM HEALTH SERVICES, INC. - 54-1721387 2010 HEALTH CAMPUS DRIVE HARRISONBURG, VA 22801	CONTRACTING SERVICES	VA	N/A	C CORP			
POTOMAC VENTURES CORP - 54-1441420 6015 POPLAR HALL DRIVE NORFOLK, VA 23502	PHARMACY	VA	N/A	C CORP			

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

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

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

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) MARTHA JEFFERSON MEDICAL ENTERPRISES	A	16634.	CORP BOOKS/RECORDS
(2) MARTHA JEFFERSON MEDICAL ENTERPRISES	D	2095081.	CORP BOOKS/RECORDS
(3) MARTHA JEFFERSON MEDICAL ENTERPRISES	P	69043.	CORP BOOKS/RECORDS
(4) MJH FOUNDATION	P	44658.	CORP BOOKS/RECORDS
(5) MJH FOUNDATION	R	2919239.	CORP BOOKS/RECORDS
(6) MARTHA JEFFERSON OUTPATIENT SURGERY CENTER	A	131324.	CORP BOOKS/RECORDS

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to 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 section 512-514)	(e) Are all partners sec 501(c)(3) orgs ? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) NO	(k) Percentage ownership

Part VII Supplemental Information

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

Part III, Identification of Related Organizations Taxable as Partnership:

Name, Address, and EIN of Related Organization:

MARTHA JEFFERSON OUTPATIENT SURGERY CENTER, LLC

EIN: 11-3656095

595 PETER JEFFERSON PARKWAY

CHARLOTTESVILLE, VA 22911

Name of Related Organization:

PHYSICAL THERAPY @ ACAC, LLC

Direct Controlling Entity: MARTHA JEFFERSON MEDICAL ENTERPRISES, INC.

Form 990 Page 10 990

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
	Buildings											
2	BUILDINGS	Varies	SL	.000	16	72368894.			72368894.	52386905.		0.
	* 990 Page 10 Total Buildings					72368894.		0.	72368894.	52386905.	0.	0.
	Machinery & Equipment											
3	EQUIPMENT	Varies	SL	.000	16	111536223			111536223	86960964.		0.
	* 990 Page 10 Total Machinery & Equipm					111536223		0.	111536223	86960964.	0.	0.
	Other											
1	LAND/IMPROVEMENTS	Varies	SL	.000	16	7692250.			7692250.	3207300.		0.
4	C-I-P	Varies	SL	.000	16	7700363.			7700363.			0.
	* 990 Page 10 Total Other					15392613.		0.	15392613.	3207300.	0.	0.
	* Grand Total 990 Page 10 Depr					199297730		0.	199297730	142555169	0.	0.

KPMG LLP
Suite 1900
440 Monticello Avenue
Norfolk, VA 23510

Independent Auditors' Report

The Board of Directors
Martha Jefferson Hospital:

We have audited the accompanying consolidated balance sheet of Martha Jefferson Hospital and subsidiaries (the Hospital) as of December 31, 2011, and the related consolidated statements of operations, changes in net assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Martha Jefferson Hospital and subsidiaries as of December 31, 2011, and the results of their operations, the changes in their net assets and their cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

As discussed in note 1 to the consolidated financial statements, on June 1, 2011, Sentara Healthcare became the sole member of the Hospital. The consolidated financial statements include the effect of the resultant accounting for the business combination.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The supplementary information included in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG LLP

April 13, 2012

MARTHA JEFFERSON HOSPITAL AND SUBSIDIARIES

Consolidated Balance Sheet

December 31, 2011

(In thousands)

Assets

Current assets:		
Cash and cash equivalents	$	11,873
Receivables, net		29,639
Inventories		3,867
Prepaid expenses and other current assets		14,973
Total current assets		60,352
Investments and assets whose use is limited		189,477
Property, plant and equipment, net		186,357
Land held for future use, at cost		399
Other assets, net		9,321
Total assets	$	445,906

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued expenses	$	13,301
Employee compensation and benefits		10,729
Current installments of long-term debt		3,311
Payables to affiliated organizations		16,676
Accrued interest payable		1,425
Other current liabilities		9,705
Total current liabilities		55,147
Long-term debt, excluding current installments		225,487
Retirement obligations		16,426
Other long-term liabilities		60,502
Total liabilities		357,562
Net assets:		
Unrestricted		48,929
Temporarily restricted		38,460
Permanently restricted		955
Total net assets		88,344
Total liabilities and net assets	$	445,906

See accompanying notes to consolidated financial statements.

MARTHA JEFFERSON HOSPITAL AND SUBSIDIARIES

Consolidated Statement of Operations

Year ended December 31, 2011

(In thousands)

	For the five months ended May 31, 2011	For the seven months ended December 31, 2011	Total
Operating revenues, gains, and other support:			
Net patient service revenue	$ 98,149	133,991	232,140
Other operating revenue	2,942	3,788	6,730
Net assets released from restrictions for operations	146	108	254
Total operating revenues, gains, and other support	101,237	137,887	239,124
Operating costs and expenses.			
Salaries and wages	36,840	52,769	89,609
Benefits	8,636	11,748	20,384
Other operating expenses	33,491	48,850	82,341
Nonrecurring expense	1,889	4,756	6,645
Interest expense	2,550	5,332	7,882
Provision for bad debts	5,129	6,437	11,566
Depreciation and amortization	4,013	5,930	9,943
Total operating costs and expenses	92,548	135,822	228,370
Net operating income	8,689	2,065	10,754
Nonoperating gains (losses), net	4,656	(33,497)	(28,841)
Excess (deficiency) of revenues over expenses	13,345	(31,432)	(18,087)
Net assets released from restrictions for capital purchases	2,397	3,393	5,790
Change in funded status of retirement obligations	3,205	(12,929)	(9,724)
Net effect of business combination (note 1)	(182,342)	(9,021)	(191,363)
Decrease in unrestricted net assets	$ (163,395)	(49,989)	(213,384)

See accompanying notes to consolidated financial statements.

MARTHA JEFFERSON HOSPITAL AND SUBSIDIARIES

Consolidated Statement of Changes in Net Assets

Year ended December 31, 2011

(In thousands)

Unrestricted net assets:		
Deficiency of revenues over expenses	$	(18,087)
Net assets released from restrictions for capital purchases		5,790
Change in funded status of retirement obligations		(9,724)
Net effect of business combination (note 1)		(191,363)
Decrease in unrestricted net assets		(213,384)
Temporarily restricted net assets:		
Restricted pledges, gifts, and bequests, net		2,786
Restricted transfer to MJH Foundation		(71)
Net assets released from restrictions		(6,044)
Change in fair value of temporarily restricted trust		(71)
Net effect of business combination (note 1)		25,478
Increase in temporarily restricted net assets		22,078
Permanently restricted net assets:		
Restricted pledges, gifts, and bequests		350
Restricted transfer from MJH Foundation		71
Change in fair value of permanently restricted trust		(33)
Increase in permanently restricted net assets		388
Decrease in net assets		(190,918)
Net assets, beginning of year		279,262
Net assets, end of year	$	88,344

See accompanying notes to consolidated financial statements.

MARTHA JEFFERSON HOSPITAL AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Year ended December 31, 2011

(In thousands)

Cash flows from operating activities:		
Decrease in net assets	$	(190,918)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Net effect of business combination		165,885
Provision for bad debts		11,566
Depreciation and amortization		9,943
Amortization of bond premium/discounts		(45)
Net realized and unrealized gains on investments		(4,264)
Gain on disposal of property, plant and equipment		364
Change in market value of derivative instruments		33,401
Equity in earnings of joint ventures		(1,497)
Restricted contributions received		(6,417)
Changes in operating assets and liabilities:		
Receivables, net		(10,416)
Inventories		(121)
Prepaid expenses and other current assets		1,332
Accounts payable and accrued expenses		(1,592)
Employee compensation and benefits		642
Retirement obligations		(12,671)
Other liabilities		3,070
Net cash used in operating activities		(1,738)
Cash flows from investing activities:		
Capital expenditures		(80,660)
Purchase of investments and assets whose use is limited, net		(33,511)
Net changes in other assets		150
Proceeds from the disposal of property, plant and equipment		6,584
Net cash used in investing activities		(107,437)
Cash flows from financing activities:		
Restricted contributions received		6,417
Advances from affiliates		16,676
Proceeds of issuance of long-term debt		891
Payments on long-term debt		(3,124)
Net cash provided by financing activities		20,860
Decrease in cash and cash equivalents		(88,315)
Cash and cash equivalents at beginning of period		100,188
Cash and cash equivalents at end of period	$	11,873
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	$	7,509
Acquisition of equipment through capital lease		891

See accompanying notes to consolidated financial statements.

(1) Description of Organization

(a) Corporate Organization

Martha Jefferson Hospital (the Hospital) is nonstock, nonprofit, 501(c)(3) tax-exempt corporation that provides acute inpatient, outpatient, and emergency care services to residents of Charlottesville, Virginia, and the surrounding area.

(b) Principles of Consolidation

The Hospital is affiliated with its subsidiaries through the legal relationship of sole "member" or sole "stockholder." As sole member/stockholder, the Hospital has those rights and powers prescribed by law and provided in the subsidiaries Articles of Incorporation and Bylaws. All significant intercompany accounts and transactions have been eliminated in consolidation.

The consolidated financial statements include the following subsidiaries:

- MJH Foundation is a Virginia nonprofit corporation which receives, maintains, and manages funds on behalf of its operating affiliates that provide healthcare services to patients.
- Martha Jefferson Hospital Foundation is a Virginia nonprofit corporation that solicits grants, gifts, contributions, and donations for its operating affiliates.
- Martha Jefferson Medical Enterprises, Inc., a taxable entity, is a medical practice management company that provides computer support and billing services to physician practices.

Effective April 2, 2002, the Hospital entered into a joint venture agreement with physicians to operate the Martha Jefferson Outpatient Surgery Center, LLC (Surgery Center). As of December 31, 2011, the Hospital owns a 50% equity interest in the joint venture, which is accounted for under the equity method of accounting. The physicians own the remaining 50%. The Hospital recognized equity in the income of the Surgery Center approximating $828 in other operating revenue on the accompanying consolidated statement of operations. During the year ended December 31, 2011, cash distributions of $748 were made by the Surgery Center to the Hospital. The investment in the Surgery Center of approximately $1,544 has been included in other assets, net in the accompanying consolidated balance sheet as of December 31, 2011.

(c) Business Combination

On June 1, 2011, Sentara Healthcare (Sentara) replaced Martha Jefferson Health Services Corporation as the sole member and parent of the Hospital. Simultaneously, the Hospital replaced Martha Jefferson Heath Services Corporation as the sole member and parent of MJH Foundation, Martha Jefferson Hospital Foundation, and Martha Jefferson Medical Enterprises, Inc.

Pursuant to the business combination agreement, Sentara committed to expend a total investment of $266,000 over a 15-year period to support expansion and enhancement of medical services in Charlottesville and the surrounding area. This amount will be expended pursuant to plans and budgets approved by the Hospital's Board of Directors and Sentara.

(Continued)

As a result of the business combination, the carrying value of the Hospital's assets and liabilities were adjusted to their estimated fair values. The following table reflects the effect of the business combination on the Hospital's June 1, 2011 condensed consolidated balance sheet:

		June 1 unadjusted	Business combination adjustments	June 1 adjusted
Assets:				
Current assets	$	122,795	8,168	130,963
Property, plant and equipment, net		317,289	(162,640)	154,649
Other long-term assets		184,095	4,672	188,767
Total assets	$	624,179	(149,800)	474,379
Liabilities:				
Current liabilities	$	52,592	62	52,654
Long-term debt		226,050	2,642	228,692
Other long-term liabilities		47,848	4,360	52,208
Total liabilities		326,490	7,064	333,554
Net assets:				
Unrestricted		281,260	(182,342)	98,918
Temporarily restricted		15,847	25,478	41,325
Permanently restricted		582	—	582
Total net assets		297,689	(156,864)	140,825
Total liabilities and net assets	$	624,179	(149,800)	474,379

(2) Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less, excluding amounts held in investments and assets whose use is limited.

(b) Investments and Assets Whose Use is Limited

Investments in readily marketable debt and equity securities are carried at fair value. All investments, except for the portion required for payment of current liabilities, are classified as noncurrent assets.

Readily marketable investments are deemed to be trading securities; therefore, investment income or loss (including realized and unrealized gains and losses) is included in nonoperating gains (losses), net, unless restricted as to use by donor or law. Cost used in the determination of gains on sales of investments is based on the average cost of the investment sold.

(Continued)

The Hospital invests in alternative investments in the form of limited liability companies or partnerships. Alternative investments are accounted for under the equity method based on the Hospital's interest in their underlying net assets. Alternative investments are typically not readily marketable, accordingly, their fair value may be different from their carrying value and that difference could be material. The Hospital's share of alternative investment gains and losses is included in nonoperating gains (losses), net. Alternative investments are included in investments and assets whose use is limited in the consolidated balance sheet. Investments recorded under the equity method are evaluated for impairment when events or changes in circumstances are identified that may have a significant adverse effect on the fair value of the investment. No impairment was recorded on equity method investments for the year ended December 31, 2011.

The Hospital's investments are exposed to several risks, including interest rate, currency, market and credit risks. It is at least reasonably possible that changes in the values of investment securities will occur in the near term due to these risks and such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Assets whose use is limited include assets held by trustees under debt agreements and under derivative financial instrument agreements.

At December 31, 2011, restricted investments totaling $44,102 have been posted by the Hospital for purposes of collateral for derivative financial instruments.

(c) Property, Plant, and Equipment

Property, plant and equipment are recorded at cost at the date of acquisition or fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. As a result of the business combination with Sentara, the carrying value of property, plant and equipment was adjusted to its estimated fair value as of June 1, 2011, and depreciable lives were revised to their estimated useful lives as determined by third party appraisers. Leasehold improvements are amortized over the life of the lease, or the useful life of the asset, whichever is shorter. Estimated useful lives range from: 3 to 25 years for land improvements; 10 to 50 years for buildings, fixed equipment, and leasehold improvements; and 3 to 20 years for major movable equipment. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Gains or losses on disposal of property, plant and equipment are included in operating income. Repairs and maintenance are expensed as incurred.

(d) Impairment of Long-Lived Assets

The Hospital assesses long-lived assets for impairment by determining whether their carrying value can be recovered through the undiscounted future operating cash flows generated by the assets. The amount of impairment, if any, is measured by comparison of the fair value of the assets to their carrying value. Fair value is determined using market data or projected discounted future operating cash flows using a discount rate reflecting the Hospital's weighted average cost of capital. No impairment losses were recognized during the year ended December 31, 2011.

(e) Derivative Financial Instruments

The Hospital recognizes the fair value of derivative financial instruments, currently consisting of interest rate swap agreements, as assets or liabilities in the accompanying consolidated balance sheet. The Hospital has elected not to use hedge accounting with respect to any of its derivative financial instruments. Accordingly, the change in fair value of these instruments is included in nonoperating income, net. Net cash settlement amounts are included in interest expense.

(f) Temporarily and Permanently Restricted Net Assets

Net assets and their related changes are classified based on the existence or absence of donor-imposed restrictions. Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. Related income is classified as temporarily restricted until expended. Net assets have been restricted primarily for the provision of various healthcare services.

(g) Nonoperating Gains (Losses), Net and Excess (Deficiency) of Revenues over Expenses

Activities related to the provision of healthcare services are reported as operating revenues and expenses. Activities which result in gains or losses unrelated to the Hospital's primary mission are considered to be nonoperating.

The consolidated statement of operations includes excess (deficiency) of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include, nonperiodic changes in the funded status of retirement obligations, contributions of long-lived assets (including assets acquired using donor restricted contributions), and net pledge activity.

(h) Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as changes to estimates become known and tentative and final settlement adjustments are determined.

(i) Charity Care

The Hospital provides care to patients that meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, related charges are not reported as net patient service revenue.

(Continued)

(j) Income Taxes

Martha Jefferson Hospital and its nonprofit subsidiary corporations have been recognized by the Internal Revenue Service as tax exempt under Section 501(c)(3) of the Internal Revenue Code of 1986.

Martha Jefferson Medical Enterprises, Inc. is a for-profit corporation. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

The Hospital recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

(k) Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include valuation allowances for receivables, recoverability of long-lived assets, self-insurance accruals, third-party payor settlements, retirement obligations and tax asset valuation allowances. Actual results could differ from those estimates.

(l) Fair Value of Financial Instruments

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measuring date. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted market prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3).

The carrying amounts of cash and cash equivalents, patient accounts receivable, other receivables, accounts payable and accrued expenses, employee compensation and benefits, estimated third-party payor settlements and other liabilities reported in the consolidated balance sheet approximate fair value because of the short maturity of these instruments.

(Continued)

(m) Assets Held for Sale

On July 30, 2010, the Hospital entered into a charitable gift annuity agreement with a donor. The Hospital received a donation of property in Charlottesville, Virginia, in exchange for a quarterly annuity payment to be made to the donor until the later of the death of the donor or the donor's spouse. The Hospital has entered into a plan to sell the property; therefore, the property is classified as held for sale in other current assets in the accompanying consolidated balance sheet and is recorded at $5,952, which reflects its estimated fair value less costs to sell. As of December 31, 2011, the annuity liability is recorded at fair value of $2,608 within other current liabilities on the accompanying consolidated balance sheet.

(n) Subsequent Events

The Hospital has evaluated subsequent events for recognition and disclosure through April 13, 2012, the date the consolidated financial statements were issued.

(o) Recent Accounting Pronouncements

On October 1, 2010, the Hospital adopted Accounting Standards Update (ASU) 2010-07, *Not-for-Profit Entities (Topic 958): Not-for-Profit Entities. Mergers and Acquisitions.* ASU 2010-07 amends financial accounting and reporting for not-for-profit business combinations. The pronouncement establishes principles and requirements for how a not-for-profit entity determines whether a combination is a merger or an acquisition, applies the carryover method in accounting for a merger, applies the acquisition method in accounting for an acquisition, including determining which of the combining entities is the acquirer, and determines what information to disclose to enable users of financial statements to evaluate the nature and financial effects of a merger or an acquisition.

(3) Net Patient Service Revenue

Net patient service revenue is computed as follows for the year ended December 31, 2011:

Gross patient charges	$	471,410
Charity care		13,352
Gross patient service revenue		458,058
Deductions:		
Medicare, Medicaid, and Tricare contractual deductions		146,096
Other discounts and allowances		79,822
Total	$	232,140

(Continued)

The Hospital has agreements with third-party payors that provide for payments at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare. Under the Medicare program, the Hospital receives reimbursement under a prospective payment system (PPS) for inpatient services. Under the hospital inpatient PPS, fixed payment amounts per inpatient discharge are established based on the patient's assigned diagnosis related group (DRG). When the estimated cost of treatment for certain patients is higher than the average, providers typically will receive additional "outlier" payments. The majority of outpatient services provided to Medicare beneficiaries are prospectively reimbursed based on service groups called ambulatory payment classifications (APCs). The remainder of outpatient services are paid on a cost basis or based on a fee schedule. Educational costs are reimbursed by the Medicare program on a reasonable cost basis. The Hospital is paid for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The Hospital has final settled with the Medicare program through the 2006 cost report year.

Medicaid. The Medicaid program is administered by the Department of Medical Assistance Services (DMAS) of the Commonwealth of Virginia, pursuant to federal and state laws and regulations. DMAS receives funding for program expenditures from both the federal government and the Commonwealth of Virginia. Federal or state law or regulations may affect limits on Medicaid payment. The majority of Medicaid recipients in the Hospital's primary service area are enrolled in health maintenance organizations (HMOs). These HMOs contract with the Medicaid program to provide primary and acute care services to enrolled Medicaid recipients. The Hospital is paid for substantially all services rendered to Medicaid HMO beneficiaries on a prospective payment basis. There are certain Medicaid patients excluded from the HMO program for which the Hospital is reimbursed based on a DRG-based prospective payment system, which is subject to certain limitations and possible retroactive adjustment. The Hospital has final settled with the Medicaid program through the 2006 cost report year.

Anthem. Inpatient services rendered to Anthem subscribers are reimbursed at prospectively determined rates per discharge. Outpatient services are either reimbursed at prospectively determined rates per test or procedure or percentage of charge. The prospectively determined rates are not subject to retroactive adjustment.

In addition to Medicare, Medicaid, and Anthem discussed above, the Hospital also provides services to beneficiaries of numerous other third-party payors. These payors pay based on negotiated contractual rates which include prospectively determined rates per discharge and discounts from established charges.

Revenue from the Medicare and Medicaid programs accounted for approximately 32% and 4%, respectively, of the Hospital's net patient service revenue for the year ended December 31, 2011. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is a reasonable possibility that recorded estimates will change by a material amount in the near term. In 2011, the effect of these settlement adjustments was to increase net patient service revenue by approximately $161.

Due to the nature of the governmental cost report settlement process, the complexities of governmental and nongovernmental patient billing and other financial statement exposures that are inherent in the provision

(Continued)

of healthcare services, the Hospital has established financial accounting and reporting policies that formally govern the establishment of associated liability estimates beyond those related to specifically identifiable events. The establishment of related liabilities is based on a number of factors, including net patient service revenue volumes. The Hospital believes that such policy properly provides for the Hospital's routine and nonroutine exposures consistent with industry accounting principles and practices. These estimated liabilities are included in other long-term liabilities on the accompanying consolidated balance sheet in the amount of $7,608 as of December 31, 2011.

(4) Receivables, Net

Receivables, net are summarized as follows at December 31, 2011:

Patient accounts receivable	$	63,150
Less:		
Contractual allowances for third-party payors		26,127
Allowances for uncollectible accounts		11,236
Patient accounts receivable, net		25,787
Estimated third-party payor settlements		251
Pledges receivable		2,850
Other receivables		751
Receivables, net	$	29,639

Pledges receivable include the following unconditional promises to give for the year ended December 31, 2011:

Amounts due in:		
Less than one year	$	2,850
One to five years		2,252
Subtotal		5,102
Less discount and allowance for uncollectible pledges		(546)
Total pledges receivable, net	$	4,556

The long-term portion of pledges receivable is included in other assets, net in the accompanying consolidated balance sheet. Third-party pledge receivables are classified within Level 2 because they are valued using discount rates observable in the market.

(Continued)

(5) Investments and Assets Whose Use is Limited

A summary of investments included in the accompanying consolidated balance sheet as of December 31, 2011 is as follows:

Unrestricted investments:		
Fixed maturities:		
Domestic	$	8,811
Equity securities:		
Domestic		40,061
Multi asset funds		19,950
Alternative investment vehicles:		
Hedge fund		8,919
Private equity		4,220
Real estate		5,858
Foreign stocks		10,902
Short-term investments		2,592
		101,313
Donor-restricted investments:		
Fixed maturities:		
Domestic		2,834
International		100
Equity securities:		
Domestic		12,337
International		307
Multi asset funds		5,783
Alternative investment vehicles:		
Hedge fund		2,585
Private equity		1,223
Real estate		1,698
Foreign stocks		3,160
Other		288
Short-term investments		4,636
		34,951
Assets whose use is limited under indenture:		
Short-term investments		9,111
Assets whose use is limited under derivative financial instruments:		
Short-term investments		44,102
Total investments	$	189,477

(Continued)

The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets.

Level 2 – Quoted prices for similar instruments in active markets; for identical instruments in markets that are not active; and model-driven valuations whose inputs are observable either indirectly or directly.

Level 3 – Unobservable inputs that are significant to the fair value of the assets or liabilities.

Short-term investments are comprised of cash equivalents and short-term fixed income securities. Because of the nature of these assets, carrying amounts approximate fair values, which have been determined from public quotations, when available.

Fair values for the Hospital's fixed maturity securities are based on prices provided by its investment managers and custodian bank which use a variety of pricing sources to determine market valuations. The Hospital's fixed maturity securities portfolio is highly liquid, which allows for a high percentage of the portfolio to be priced through pricing services.

Fair values of equity securities have been determined by the Hospital from observable market quotations, when available. Equity securities where a public quotation is not available are valued by using broker quotes.

Fair values of the multi asset funds are based on prices provided by its investment managers and custodian bank which use a variety of pricing sources to determine market valuations.

The following table presents the Hospital's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2011:

		Fair value measurement at reporting date using		
Description	Fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Fixed maturities:				
Domestic	$ 11,645	2,942	8,703	—
International	100	100	—	—
Equity securities:				
Domestic	52,396	52,396	—	—
International	307	307	—	—
Multi asset funds	25,733	25,733	—	—
Other	288	288	—	—
Short-term investments	60,442	60,442	—	—
Total assets	$ 150,911	142,208	8,703	—

(Continued)

A summary of the Hospital's investments in limited investment companies accounted for under the equity method included in investments in the accompanying consolidated balance sheet as of December 31, 2011 is as follows:

			Redemption frequency
Foreign stocks:			
Silchesters International	$	14,063	Monthly
Hedge fund:			
TIFF Absolute Return Pool		11,504	Quarterly
Real estate:			
MREP 2008 Distressed Company		2,313	Discretionary
Property Holdings IV LCC		3,301	Discretionary
Property Holdings V LCC		1,942	Discretionary
Private equity:			
TIFF Private Equity Partners 2005		2,552	Discretionary
TIFF Private Equity Partners 2007		1,956	Discretionary
MIT Private Equity Fund IV LP		935	Discretionary
Total limited investment companies	$	38,566	

The Hospital's investments in limited investment companies are reported on the equity method based on the underlying net asset value of the investment. Due to the nature of the underlying investments held, changes in market conditions and the economic environment may significantly impact the investments' net asset value and the carrying value of the Hospital's interest.

The Hospital generally uses net asset value per share as provided by external investment managers without further adjustment as the practical expedient estimate of the fair value of its alternative investments consistent with the provisions of Accounting Standards Update 2009-12, *Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*. Accordingly, such values may differ from values that would have been used had an active market for the investments existed.

Limited investment companies totaling $12,999 at December 31, 2011 are not redeemable at net asset value under the terms of the partnership and/or subscription agreements. Although a secondary market exists for these investments, the market is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. Depending on the nature of the investment and other investment features such as lock-up periods, redemption fees, future funding commitments, etc., such a discount could be significant.

The Hospital has remaining capital commitments of $3,510 at December 31, 2011 for certain investments in limited investment companies.

(Continued)

(6) Property, Plant and Equipment

The components of property, plant and equipment and leasehold improvements, at cost, and the related accumulated depreciation at December 31, 2011 are summarized as follows:

Land	$	29,780
Land improvements		2,429
Buildings		107,835
Fixed equipment		1,849
Major movable equipment		46,154
		188,047
Less accumulated depreciation and amortization		(5,334)
		182,713
Construction in progress		3,644
Total	$	186,357

Depreciation and amortization related to property, plant and equipment totaled $9,808 for the year ended December 31, 2011.

Construction projects in progress at December 31, 2011, to which the Hospital is contractually committed, are expected to have remaining project costs of approximately $6,300. The commitments include the costs to complete various improvement projects. Capitalized interest of $3,163 was recorded related to construction in progress in 2011.

(Continued)

(7) Long-Term Debt

Long-term debt and capital lease obligations at December 31, 2011 are summarized as follows:

Series 2002 Bonds. The Series 2002 Bonds are comprised of $12,245 Serial bonds and $37,755 Term bonds. The Serial bonds mature in graduated annual amounts ranging from $860 in 2007 to $1,270 in 2017 and bear interest at varying rates ranging from 3.00% to 4.62%. The Term bonds are due on October 1, 2022 ($7,345), October 1, 2027 ($9,405), and October 1, 2035 ($21,005) and bear interest ranging from 5.26% to 5.50% (average interest rate for 2011 was 5.06%). The Hospital and MJH Foundation (the Obligated Group) are required to make mandatory annual sinking fund payments ranging from $1,330 in 2018 to $3,120 in 2035.	$	44,580
Series 2003 Bonds. The Series 2003 Bonds are comprised of $28,565 Serial bonds and $5,505 Term bonds. The Serial bonds mature in graduated annual amounts ranging from $1,565 in 2007 to $2,555 from $1,565 in 2007 to $2,555 interest at varying rates ranging from 3.00% to 5.25% (average interest rate for 2011 was 4.86%). The Term bonds are due on October 1, 2020 and bear interest at 5.15%. The Obligated Group is required to make mandatory annual sinking fund payments of $2,685 in 2019 and $2,820 in 2020.		21,030
Series 2008 A, B, C, D Bonds. The Series A and B Bonds are each comprised of $40,000 variable rate bonds with an interest rate determined on a weekly basis (actual interest rate at December 31, 2011 was 0.10%). The Series C and D Bonds are comprised of $40,000 and $40,795, respectively, variable rate bonds with an interest rate determined on a daily basis (actual interest rate at December 31, 2011 was 0.05%). The Obligated Group is required to make mandatory annual sinking fund payments of $1,120 in 2013 to $11,480 in 2048.		160,795
Capital lease obligations		1,520
Total long-term debt outstanding		227,925
Unamortized bond premium		873
Less amount classified as current		(3,311)
	$	225,487

(a) Hospital Revenue Bonds and Revenue and Refunding Bonds

On October 15, 2002, $50,000 Tax-Exempt Hospital Revenue Bonds (Martha Jefferson Hospital and MJH Foundation), Series 2002 (the Series 2002 Bonds) were issued by the Industrial Development Authority of Albemarle County, Virginia (the Authority). Proceeds of the Series 2002 Bonds were used for the financing of costs related to the construction of the Outpatient Care Center located at Peter Jefferson Business Park and to certain improvements to and equipment for the Hospital's acute care facility as well as the funding of a debt service fund for the Series 2002 Bonds and to pay certain costs of the issuance of the Series 2002 Bonds.

(Continued)

As security for the Series 2002 Bonds, the Authority pledged, assigned, and granted a security interest to the bond trustee in the promissory note of Martha Jefferson Hospital and MJH Foundation, dated October 15, 2002, in the original principal amount of $50,000 (the 2002 Obligation). The Series 2002 Bonds are also secured by all rights, revenues, and receipts of the Authority, other than under a Financing Agreement dated as of October 15, 2002 (the Agreement) between the Hospital, MJH Foundation, and the Authority, and all funds held by the bond trustee under the bond indenture.

On September 25, 2003, $34,070 Tax-Exempt Hospital Revenue and Refunding Bonds (Martha Jefferson Hospital), Series 2003 (the Series 2003 Bonds) were issued by the Authority. Proceeds of the Series 2003 Bonds were used to refund the then-outstanding Series 1993 Bonds, fund a debt service fund for the Series 2003 Bonds, and pay certain costs of issuance of the Series 2003 Bonds.

As security for the Series 2003 Bonds, the Authority pledged, assigned, and granted a security interest to the bond trustee in the promissory note of Martha Jefferson Hospital and MJH Foundation, dated as of September 1, 2003, in the original principal amount of $34,070 (the 2003 Obligation). The 2003 Bonds are also secured by all rights, revenues, and receipts of the Authority, other than under a Financing Agreement dated as of September 1, 2003 (the Agreement) between the Hospital, MJH Foundation, and the Authority, and all funds held by the bond trustee under the bond indenture.

Pursuant to the issuance of the Series 2002 and 2003 Bonds, the Hospital and MJH Foundation are required to maintain certain funds with the bond trustee for the purpose of debt service.

These funds, which consist primarily of cash and cash equivalents, have been included as assets whose use is limited in the accompanying consolidated balance sheet.

On October 30, 2008, the Economic Development Authority of Albemarle County, Virginia (the Authority) issued $160,795 of Variable Rate Hospital Revenue Bonds Series 2008 A, B, C, and D (the 2008 Series Bonds).

Proceeds of the 2008 Series Bonds were used to finance a portion of the costs of acquisition, construction, equipping, and furnishing of a replacement acute care hospital facility located in Albemarle County (the Replacement Hospital).

The 2008 Series Bonds are limited obligations of the Authority payable from and secured by the revenues of the Authority derived from certain promissory notes issued by the Hospital and MJH Foundation. The 2008 Series Bonds are secured by irrevocable direct pay letters of credit initially issued by Branch Banking and Trust Company and Wachovia Bank, National Association which expire on October 30, 2013. In the event of a liquidity drawing under the letters of credit to purchase bonds for the accounts of the borrowers, the principal component of such liquidity drawing shall be due and payable over a period of 54 months beginning 180 days following the date of the liquidity drawing. At December 31, 2011 and through April 13, 2012, there were no liquidity draws against the letters of credit. In conjunction with the issuance of the 2008 Series Bonds, the effective date of the forward starting fixed payer interest rate swap agreement with a notional amount of $160,795 was moved from February 1, 2009 to November 3, 2008, which fixed the interest rate at 4.13%.

(Continued)

(b) Other

The Hospital Revenue Bonds and Revenue and Refunding Bonds are not secured by any security interest in or lien on any revenues or real property. The Master Trust Indenture places certain restrictions on the Hospital including a requirement for the Obligated Group to maintain certain financial covenants, including a combined debt service coverage ratio of 120%.

The fair value of all bonds is determined by market quotations using Level 1 criteria. The fair value of all bonds at December 31, 2011 was approximately $228,168.

Estimated maturities and sinking fund requirements of all long-term indebtedness at December 31, 2011 are as follows:

2012	$	3,311
2013		4,748
2014		4,841
2015		4,808
2016		4,842
Thereafter		205,435
		227,985
Less portion representing interest		(60)
	$	227,925

(c) Subsequent Event

In November 2011, Sentara approved an amendment to its Master Trust Indenture adding the Hospital as an affiliate to the Sentara Obligated Group. Subsequently, Sentara and the Hospital initiated debt restructures whereby the promissory notes currently securing a portion of the Hospital's debt were substituted with the credit of promissory notes issued under the Sentara Master Trust Indenture. The substitution of the promissory notes converted the obligation of the debt from the Hospital to Sentara. The Hospital's Series 2008 Bonds totaling $160,795 were substituted in January 2012.

The Series 2002 Bonds are expected to be advance refunded with proceeds of Sentara's 2012B Health Care Facilities Revenue and Refunding Bonds to be issued on or about May 16, 2012, and the Series 2003 Bonds are expected to be cash defeased before the end of 2012. In connection therewith, Sentara expects that all obligations issued under the Hospital's Master Trust Indenture will be cancelled and discharged.

(8) Derivative Financial Instruments

The Hospital uses interest rate swaps as a part of its risk management strategy to manage exposure to fluctuations in interest rates and to manage the overall cost of its debt. The interest rate swaps are not used for speculative purposes and are measured at fair value in the accompanying consolidated balance sheet.

The following table provides details regarding the Hospital's fair value of derivative instruments currently classified as other long-term liabilities, none of which are designated as cash flow hedging instruments:

Interest rate swap	Fair value	Notional amount outstanding	Rate paid	Rate received	Average rate received in 2011	Counterparty	Term
2007 (Basis Swap)	$ (1,778)	76,325	SIFMA	67% 1M LIBOR + 0 41%	0 56%	UBS	20 years
2008 (Fixed Swap)	(50,104)	160,795	4 13%	SIFMA	0 18%	UBS	40 years

The counterparty has collateral posting requirements based upon the rating classification of the Hospital's long-term, unsecured, unsubordinated debt securities as assigned by a relevant rating agency. The Hospital is required to post collateral with the counterparty for each swap in the event the negative fair value of the swap exceeds $10,000. As of December 31, 2011, the Hospital had posted $44,102 in collateral with the counterparty for the two swaps. Subsequent to year-end, as a result of the January 2012 note substitution, the collateral threshold was raised to $20,000.

The fair value of the interest rate swap agreements is the estimated amount that the Hospital would receive or pay to terminate the swap agreements at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The swap agreements are valued based on readily observable market parameters for all substantial terms of the contracts and are therefore categorized as Level 2 securities. The fair market value of the swap agreements is included in other long-term liabilities in the accompanying consolidated balance sheet. The fair market value calculation at December 31, 2011 includes a credit valuation adjustment (CVA) as required by accounting guidance. At December 31, 2011, the valuation of the interest rate swap agreements was reduced by $1,534, when applying the CVA. The change in the fair value of the interest rate swap agreements for the year ended December 31, 2011 was a loss of $33,401, and is included in nonoperating gains (losses), net in the accompanying consolidated statement of operations. The Hospital is exposed to credit loss in the event of nonperformance by the swap counterparties. The Hospital manages this risk through the monitoring of the credit standing of its counterparties.

The fair value of the Hospital's derivative instruments is based on information obtained from swap counterparties using Level 2 inputs. The Hospital evaluates the reasonableness of the reported fair values.

(9) Retirement Obligations

The Hospital maintains a noncontributory defined benefit pension plan (the Plan) that covers substantially all employees of the Hospital. Effective December 31, 2005, the Plan was frozen to all new participants. Employees of record as of December 31, 2005 who had at least ten years of service and whose service years combined with age equal sixty or greater were eligible for benefits under the Plan. Employees hired on or after January 1, 2006 are not eligible to participate in the Plan. All plan participants who are not eligible to participate in the frozen defined benefit retirement plan participate in a defined contribution plan.

In the prior year, the Plan used September 30 as the measurement date. Due to the business combination with Sentara, the Plan converted to a December 31 measurement date. The following table sets forth

amounts recognized in the consolidated financial statements of the Hospital as of and for the fifteen month period ended December 31, 2011:

Accumulated benefit obligation at December 31, 2011	$	76,576
Change in benefit obligation:		
Benefit obligation at October 1, 2010	$	69,017
Service cost		1,465
Interest cost		4,387
Actuarial loss		9,326
Benefits paid		(2,288)
Benefit obligation at December 31, 2011		81,907
Change in plan assets:		
Fair value of plan assets at October 1, 2010		40,501
Actual return on plan assets		3,251
Employer contributions by the Hospital		7,917
Employer contributions by Sentara		16,100
Benefits paid		(2,288)
Fair value of plan assets at December 31, 2011		65,481
Funded status	$	(16,426)
Amounts recognized in the consolidated balance sheet at December 31, 2011:		
Long-term liabilities	$	(16,426)
Amounts recognized in unrestricted net assets at December 31, 2011:		
Net actuarial loss	$	(12,929)
Components of net periodic pension cost for the fifteen months ended December 31, 2011:		
Service cost	$	1,466
Interest cost		4,387
Expected return on plan assets		(4,606)
Prior service cost recognized		1
Amortization of actuarial loss		955
	$	2,203

For the twelve months ended December 31, 2011, total pension costs for the Plan were $1,622.

The effect of business combination accounting on amounts included in unrestricted net assets at June 1, 2011 was to reduce previously unrecognized net actuarial losses and prior service cost by $22,491.

For the year ended December 31, 2011, the Hospital recognized a decrease in unrestricted net assets of $9,724, related to nonperiodic changes in the Plan assets and benefit obligations.

(Continued)

The estimated actuarial loss for the Plan that will be amortized from unrestricted net assets into net periodic cost over the next year is $0. No assets of the Plan are expected to be returned to the Hospital for the year ended December 31, 2012.

The assumptions used to determine the benefit obligation for the Plan at December 31, 2011 are as follows:

Discount rate	4.50%
Rate of compensation increase	3.50

Weighted average assumptions used to determine the net periodic benefit cost for the Plan:

	For the eight months ended May 31, 2011	For the seven months ended December 31, 2011
Weighted average discount rate	5.02%	5.25%
Weighted average rate of compensation increase	4.00	3.50
Weighted average expected long-term rate of return on plan assets	8.00	7.25

In developing the expected long-term rate of return on assets assumption, the Hospital considered the current level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested, and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

(Continued)

(a) Investment Policy and Strategy

The overall financial objectives for the Plan's assets are (1) to provide funds for the timely payment of the Plan's obligations and (2) to produce an investment rate of return that improves the overall funding status of the Plan consistent with the first objective. The investment objective of the Plan seeks to strike a balance between higher returns and controlling funding status volatility. To achieve its objectives, the Plan's assets are allocated based on a target allocation approved by the Hospital's Board of Directors. A registered investment manager has been approved by the Hospital's Board of Directors and reviews fund performance at each quarterly meeting. The Plan's targeted asset allocation by asset category is as follows:

Asset category	Target allocation percentage
Equity securities	60% – 70%
Debt securities	20% – 30%
Other	5% – 15%

The allocation to fixed income investments is structured to match the expected stream of future benefit payments in order to minimize funding volatility risk. Other investments are also diversified within asset classes (e.g., within equities by economic sector, industry, quality and size) in order to provide assurance that no single security or class of securities will have a disproportionate impact on the Plan.

The following table presents the Plan's assets measured at fair value aggregated by the level in the fair value hierarchy within which those measurements fall as of December 31, 2011:

	Fair value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 23,723	23,723	—	—
Registered investment companies:				
Domestic fixed income	11,649	11,649	—	—
Domestic equities	25,429	25,429	—	—
International equities	3,525	3,525	—	—
Total registered investment companies	40,603	40,603	—	—
Partnership/joint venture interests	454	—	—	454
Real estate	701	—	—	701
Total assets at fair value	$ 65,481	64,326	—	1,155

(Continued)

The following table provides a reconciliation for all Level 3 assets measured at fair value on a recurring basis of the beginning and ending balances:

	Level 3 investments		
	Partnership/ joint venture interests	Real estate	Total
Balance, September 30, 2010	$ 659	698	1,357
Total net gains, unrealized and realized	86	(5)	81
Purchases, sales, issuances and settlements	(291)	8	(283)
Balance, December 31, 2011	$ 454	701	1,155

(b) Contributions

The Hospital expects to make no contributions to its Plan for the year ended December 31, 2012.

(c) Estimated Future Benefit Payments

The following benefit payments, which reflect expected future employee service, as appropriate, are expected to be paid in the following years ending December 31:

Expected benefit payments:	
2012	$ 2,269
2013	2,588
2014	2,885
2015	3,173
2016	3,539
2017 – 2021	23,863

The expected benefits to be paid are based on the same assumptions used to measure the Hospital's benefit obligations at December 31, 2011.

(d) Defined Contribution Retirement Plans

The Hospital has established a new defined contribution plans providing retirement benefits for all eligible employees of the Hospital. Employees must be 21 years of age and have worked 1,000 hours during the plan year to participate. The Hospital currently contributes 4% of eligible participants' compensation (as defined). The Hospital's expense related to the plans during the year ended December 31, 2011 was approximately $4,067.

(Continued)

(10) Charity Care and Other Community Benefits

(a) Charity and Uncompensated Care

The Hospital is committed to providing quality healthcare to all, regardless of their ability to pay. Patients who meet the criteria of its charity care policy receive services without charge or at amounts less than its established rates. The criterion for charity care considers the household income in relation to the federal poverty guidelines and the equity value of real property and/or other assets. The Hospital provides services without charge for patients with adjusted gross income equal to or less than 200% and up to 300% of the federal poverty guidelines. For uninsured patients with adjusted gross income greater than 200% of the federal poverty guidelines, a sliding scale discount is applied. Income and asset information obtained from the patient are used to determine a patient's ability to pay. The Hospital maintains records to identify and monitor the level of charity care it furnishes under its charity care policy.

Due to the complexity of the eligibility process, the Hospital provides eligibility services to patients free of charge to assist in the qualification process. These eligibility services include, but are not limited to, the following:

- Financial assistance brochures and other information are posted at each point of service. When patients have questions or concerns, they are encouraged to call a toll-free number to reach customer service representatives during the business day. Financial assistance programs are also published on the Hospital's website and included on the statements provided to patients.
- The Hospital provides assistance to help patients complete applications for Medicaid or other government payment assistance programs, or apply for care under the Hospital's charity care policy, if applicable.
- Any patient, whether covered by insurance or not, may meet with a Hospital representative and receive financial counseling from the Hospital's dedicated financial assistance unit.

Costs incurred are estimated based on the cost to charge ratio for the Hospital and applied to charity care charges. Since the Hospital does not pursue collections of amounts determined to meet the criterion under the charity care policy, such amounts are not reported as net patient service revenue. The amounts reported as charity care represent the cost of rendering such services. The following information measures the level of charity and uncompensated care costs provided for the years ended December 31, 2011:

Components of estimated cost of charity and other uncompensated care:		
Charity care	$	5,855
Medicaid		1,881
Bad debts		5,072
Total estimated cost	$	12,808

(Continued)

(b) Medical Education and Other Community Benefits

In addition to charity and uncompensated care, the Hospital provides other community benefits. These benefits include, among other items, services that positively impact health status or burdening community health issues including community obesity initiatives; dental services to low-income children; breast health programs providing free mammography services; and referral services with the Charlottesville Free Clinic, including free diagnostic testing in cardiac, laboratory, and radiology services. The Hospital provides support to other charitable organizations through direct contributions and sponsorships as well as free community health screenings and health education throughout the Hospital's service area.

The Hospital estimates community benefits provided in the form of charity and other uncompensated care. The following is a summary of the Hospital's community commitment as measured by charity care and community benefit costs for the year ended December 31, 2011:

Nonreimbursed cost of charity and uncompensated care	$	12,808
Medical education		62
Direct contributions and sponsorships		290
Community health programs		60
Total community benefits, at cost	$	13,220

(11) Concentration of Credit Risk

Patient receivables and patient service revenue consist of amounts earned for patient care. Payments are made either directly by patients or by third-party payors, including the federal (Medicare) and state (Medicaid) governments and private insurance carriers. Services are generally provided without requiring collateral from patients or third-party payors.

A breakdown of net patient accounts receivable by significant payor type follows:

Medicare	37%
Medicaid	5
Anthem (Blue Cross)	19
Managed care	14
Self-pay and others (none more than 10%)	25
Total	100%

(Continued)

(12) Functional Expenses

The Hospital provides various healthcare services to patients within its geographic region. Expenses related to providing these services are as follows:

Healthcare services	$	192,542
General and administrative		35,828
Total operating expenses	$	228,370

(13) Commitments and Contingencies

(a) General Liability and Malpractice Insurance

Effective June 2004, the Hospital entered into a joint venture agreement with four Virginia health systems to establish Virginia Solution SPC, Ltd. (the Captive) which provides primary professional liability, general liability, and workers' compensation insurance to each of the respective entities. Effective June 2010, a sixth health system joined the Captive. As of December 31, 2011, the Hospital owned a 17% equity interest in the joint venture, which is accounted for under the equity method of accounting. The remaining 83% is owned by the remaining hospitals. The Hospital recognized a gain on the equity in the income of the Captive of approximately $580 during the year ended December 31, 2011, which is included in other nonoperating gains (losses), net on the accompanying consolidated statement of operations and changes in net assets. The investment in the Captive of approximately $2,150 has been included in other assets in the accompanying consolidated balance sheet as of December 31, 2011.

The Hospital insures its professional and general risks through insurance policies issued by the Captive. The Captive provides primary professional liability insurance on a claims-made basis with limits of $2,000 per claim and $6,000 aggregate. Primary general liability coverage is also provided by the Captive on a claims-made basis with limits of $2,000 per occurrence. In addition, the Hospital purchases excess coverage of $10,000 per claim and $10,000 aggregate provided through an excess liability policy. Effective July 1, 2011, the Hospital purchases excess coverage of $20,000 per claim and $20,000 in the aggregate provided through an excess liability policy.

Professional liability policies entered into on a claims-made basis must be renewed or replaced with equivalent insurance if claims incurred during their term but asserted after their expiration are to be insured. The estimated liability for professional and general liability claims will be significantly affected if current and future claims differ from historical trends. While management monitors reported claims closely and considers potential outcomes as estimated by its actuaries when determining its professional and liability accruals, the complexity of the claims, the extended period of time to settle the claims and the wide range of potential outcomes complicate the estimation. In the opinion of management, adequate provision has been made for the related risk.

(Continued)

(b) Employee Health Benefits

The Hospital is self-insured for employee health benefits. Payments are limited to $225 per participant per year. The liability associated with these claims totaled $1,279 at December 31, 2011.

(c) Workers' Compensation Insurance

The Captive provides primary worker's compensation benefits on a claims-made basis with limits of $500 aggregate. In addition, the Hospital purchases excess coverage of $500 through an excess liability policy.

(d) Lease Commitments

Certain Hospital subsidiaries are parties to operating leases for property. Rental expense incurred during the year ended December 31, 2011 was approximately $1,968. Future minimum lease payments are as follows:

2012	$	1,883
2013		1,090
2014		1,006
2015		999
2016		750
Thereafter		2,559
Total future minimum lease payments	$	8,287

(e) Litigation

The Hospital is involved in litigation arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Hospital's financial position.

Laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation. The Hospital, through its compliance program, seeks to ensure compliance with such laws and regulations and to rectify instances of noncompliance. Management believes that the Hospital is in material compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations that would, if resulting in a determination of wrongdoing by the Hospital, have a material effect on the Hospital's accompanying consolidated financial statements. Compliance with such laws and regulations is subject to future government review and interpretation as well as significant regulatory action, which can include fines, penalties and exclusion from the Medicare and Medicaid programs.

(Continued)

(14) Nonoperating Losses, Net

Nonoperating losses, net are summarized as follows:

Investment income	$	1,813
Realized gains on investments, net		1,095
Unrealized gains on investments, net		1,338
Other		296
Equity in earnings of limited investment companies		18
Change in market value of derivative instruments		(33,401)
Nonoperating losses, net	$	(28,841)

(15) Other Operating Expenses

Other operating expenses are summarized as follows:

Supplies	$	42,207
Professional fees		5,655
Purchased and contracted services		12,399
Repairs and maintenance		7,257
Rent		2,310
Insurance		974
Marketing		501
Utilities		2,923
Other		8,115
Other operating expenses	$	82,341

(16) Temporarily and Permanently Restricted Net Assets

The Pickett Trust was established for the benefit of the Hospital to provide medical care to people who are neither financially able to pay for such care nor qualify to receive assistance from the federal, state, and local authorities. The balance of the Pickett Trust was $765 at December 31, 2011, and is included in temporarily restricted net assets.

The Hospital is a 25% beneficiary of the Porter Trust. In accordance with the terms of the trust, the Hospital's share of the trust's earnings are designated for the benefit of women of moderate means, 40 years of age or over, whose income may be inadequate to meet the expenses of medical care. The balance of the Hospital's interest in the Porter Trust was $534 at December 31, 2011, and is included in permanently restricted net assets.

As part of the business combination with Sentara, unrestricted net assets of $25,478 were restricted by Martha Jefferson Health Services Corporation for future Hospital needs.

(Continued)

Restricted net assets are net assets whose use by the Hospital has been limited by donors for specific purposes. Temporarily restricted net assets at December 31, 2011 are available for the following purposes:

Purchase of equipment and improvements	$	34,802
Indigent care		2,870
Health education		788
Total temporarily restricted net assets	$	38,460

(17) Related Parties

Members of the Hospital's governing boards and management may, from time to time, be associated, either directly or indirectly, with companies doing business with the Hospital. For members of management, the Hospital requires annual disclosure of significant financial interests in, or employment or consulting relationships with, entities doing business with the Hospital. These annual disclosures cover both the members of management and their immediate family members. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of the Hospital. There are written conflict of interest policies for both the Hospital that require, among other things, that no member of a governing board may participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each governing board member is required to certify compliance with the conflict of interest policies for the Hospital. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the Hospital, and in accordance with applicable conflict of interest laws. No such associations that have been disclosed are considered to be significant.

Schedule 1

MARTHA JEFFERSON HOSPITAL AND SUBSIDIARIES

Consolidating Balance Sheet

December 31, 2011

(In thousands)

Assets	Martha Jefferson Hospital	MJH Foundation	Eliminations	Total Obligated Group	Martha Jefferson Medical Enterprises, Inc.	Eliminations	Consolidated
Current assets							
Cash and cash equivalents	$ 11,859	—	—	11,859	14	—	11,873
Receivables, net	26,176	3,382	—	29,558	81	—	29,639
Receivables from affiliated organization	1,861	—	(1,861)	—	—	—	—
Inventories	3,867	—	—	3,867	—	—	3,867
Prepaid expenses and other current assets	14,962	—	—	14,962	11	—	14,973
Total current assets	58,725	3,382	(1,861)	60,246	106	—	60,352
Receivables from affiliated organizations	1,895	—	—	1,895	—	(1,895)	—
Investments and assets whose use is limited	58,296	131,181	—	189,477	—	—	189,477
Property, plant and equipment, net	186,337	9	—	186,346	11	—	186,357
Land held for future use, at cost	399	—	—	399	—	—	399
Beneficial interest in MJH Foundation	134,720	—	(134,720)	—	—	—	—
Other assets, net	6,340	2,706	—	9,046	275	—	9,321
Total assets	$ 446,712	137,278	(136,581)	447,409	392	(1,895)	445,906
Liabilities and Net Assets							
Current liabilities							
Accounts payable and accrued expenses	$ 13,201	74	—	13,275	26	—	13,301
Employee compensation and benefits	10,566	—	—	10,566	163	—	10,729
Current installments of long-term debt	3,311	—	—	3,311	—	—	3,311
Payables to affiliated organizations	16,676	136,581	(136,581)	16,676	2,095	(2,095)	16,676
Accrued interest payable	1,425	—	—	1,425	—	—	1,425
Other current liabilities	9,480	110	—	9,590	115	—	9,705
Total current liabilities	54,659	136,765	(136,581)	54,843	2,399	(2,095)	55,147
Long-term debt, excluding current installments	225,487	—	—	225,487	—	—	225,487
Retirement obligations	16,426	—	—	16,426	—	—	16,426
Other long-term liabilities	59,989	513	—	60,502	—	—	60,502
Total liabilities	356,561	137,278	(136,581)	357,258	2,399	(2,095)	357,562
Net assets							
Unrestricted	50,736	—	—	50,736	(2,007)	200	48,929
Temporarily restricted	38,460	—	—	38,460	—	—	38,460
Permanently restricted	955	—	—	955	—	—	955
Total net assets	90,151	—	—	90,151	(2,007)	200	88,344
Total liabilities and net assets	$ 446,712	137,278	(136,581)	447,409	392	(1,895)	445,906

See accompanying independent auditors' report

Schedule 2

MARTHA JEFFERSON HOSPITAL AND SUBSIDIARIES

Consolidating Statement of Operations

Year ended December 31, 2011

(In thousands)

	Martha Jefferson Hospital	MJH Foundation	Eliminations	Total Obligated Group	Martha Jefferson Medical Enterprises, Inc.	Eliminations	Consolidated
Operating revenues, gains, and other support							
Net patient service revenue	$ 232,140	—	—	232,140	—	—	232,140
Other operating revenue	5,782	—	—	5,782	3,341	(2,393)	6,730
Net assets released from restrictions	254	—	—	254	—	—	254
Total operating revenues, gains, and other support	238,176	—	—	238,176	3,341	(2,393)	239,124
Operating costs and expenses							
Salaries and wages	87,478	—	—	87,478	2,131	—	89,609
Benefits	19,718	—	—	19,718	666	—	20,384
Other operating expenses	83,850	—	—	83,850	884	(2,393)	82,341
Nonrecurring expense	6,645	—	—	6 645	—		6,645
Interest expense	7,882	—	—	7,882	64	(64)	7,882
Provision for bad debts	11,566	—	—	11,566	—	—	11,566
Depreciation and amortization	9,900	—	—	9,900	43	—	9,943
Total operating costs and expenses	227,039	—	—	227,039	3,788	(2,457)	228,370
Net operating income (loss)	11,137	—	—	11,137	(447)	64	10,754
Nonoperating losses, net	(28,777)	—	—	(28,777)	—	(64)	(28,841)
Deficiency of revenues over expenses	(17,640)	—	—	(17,640)	(447)	—	(18,087)
Net assets released from restrictions for capital purchases	5,790	—	—	5,790	—	—	5,790
Change in funded status of retirement obligations	(9,724)	—	—	(9,724)	—	—	(9,724)
Net effect of business combination	(191,342)	—	—	(191,342)	(21)	—	(191,363)
Decrease in unrestricted net assets	$ (212,916)	—	—	(212,916)	(468)	—	(213,384)

See accompanying independent auditors' report

Schedule 3

MARTHA JEFFERSON HOSPITAL AND SUBSIDIARIES

Consolidating Statement of Changes in Net Assets

Year ended December 31, 2011

(In thousands)

	Martha Jefferson Hospital	MJH Foundation	Eliminations	Total Obligated Group	Martha Jefferson Medical Enterprises, Inc.	Eliminations	Consolidated
Unrestricted net assets							
Deficiency of revenues over expenses	$ (17,640)	—	—	(17,640)	(447)	—	(18,087)
Net assets released from restrictions for capital purchases	5,790	—	—	5,790	—	—	5,790
Change in funded status of retirement obligations	(9,724)	—	—	(9,724)	—	—	(9,724)
Net effect of business combination	(191,342)	—	—	(191,342)	(21)	—	(191,363)
Decrease in unrestricted net assets	(212,916)	—	—	(212,916)	(468)	—	(213,384)
Temporarily restricted net assets							
Restricted pledges, gifts, and bequests, net	2,786	—	—	2,786	—	—	2,786
Restricted transfer from MJH Foundation	(71)	—	—	(71)	—	—	(71)
Net assets released from restrictions	(6,044)	—	—	(6,044)	—	—	(6,044)
Change in fair value of temporarily restricted trust	(71)	—	—	(71)	—	—	(71)
Net effect of business combination	25,478	—	—	25,478	—	—	25,478
Increase in temporarily restricted net assets	22,078	—	—	22,078	—	—	22,078
Permanently restricted net assets							
Restricted pledges, gifts, and bequests	350	—	—	350	—	—	350
Restricted transfer from MJH Foundation	71	—	—	71	—	—	71
Change in fair value of permanently restricted trust	(33)	—	—	(33)	—	—	(33)
Decrease in permanently restricted net assets	388	—	—	388	—	—	388
Decrease in net assets	(190,450)	—	—	(190,450)	(468)	—	(190,918)
Net assets, beginning of year	280,601	—	—	280,601	(1,539)	200	279,262
Net assets, end of year	$ 90,151	—	—	90,151	(2,007)	200	88,344

See accompanying independent auditors' report

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

(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			
(27) CHARLES ROTGIN JR. BOARD MEMBER	2.00	X						0.	0.	0.
(28) DAVID G. SUTTON BOARD MEMBER	2.00	X						0.	0.	0.
(29) JAMES E. HADEN PRESIDENT (NON-VOTING)	50.00			X				571224.	0.	222304.
(30) AMY BLACK SECRETARY (NON-VOTING)	65.00			X				280406.	0.	32699.
(31) J. MICHAEL BURRIS TREASURER (NON-VOTING)	54.00			X				349866.	0.	70334.
(32) ELLIOT H. KUIDA VP, COO	63.00				X			410458.	0.	32892.
(33) MARIJO LECKER VP, CLINICAL SUPPORT SVS/I	65.00				X			327228.	0.	32966.
(34) RONALD J. COTTRELL VP, PLANNING, MKTG, CORP D	65.00				X			329477.	0.	58607.
(35) FINLAY M. ASHBY VP, MEDICAL AFFAIRS	65.00				X			289646.	0.	28809.
(36) SUSAN CABELL MAINS VP, HR, RETAIL, COMPLIANCE	65.00				X			309244.	0.	72465.
(37) RAY R. MISHLER VP, DEVELOPMENT	25.00				X			320216.	0.	56833.
(38) JOHN Z. EDWARDS PHYSICIAN	40.00					X		477502.	0.	32166.
(39) ROBERT S. PRITCHARD PHYSICIAN	40.00					X		425549.	0.	32642.
(40) TEJA SANDEEP PHYSICIAN	40.00					X		475250.	0.	26045.
(41) JACOB N YOUNG PHYSICIAN	40.00					X		660657.	0.	34355.
(42) GORDON L MORRIS PHYSICIAN	40.00					X		425764.	0.	30496.
(43) DEBORAH L. THEXTON FORMER KEY EMPLOYEE	60.00						X	261881.	0.	14173.
Total to Part VII, Section A, line 1c								5914368.		777786.

Form **8868**

(Rev January 2012)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ ☑
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (*e-file*). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only . . . . . ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
File by the due date for filing your return. See instructions.	**Martha Jefferson Hospital**	☑ **54-0261840**
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	500 Martha Jefferson Drive	☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	Charlottesville, VA 22911	

Enter the Return code for the return that this application is for (file a separate application for each return) **0 1**

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ **Martha Jefferson Hospital**

Telephone No. ▶ **434-654-8198** FAX No. ▶ **434-654-8189**

- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . ▶ ☐. If it is for part of the group, check this box . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **August 15**, 20 **12**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ ☐ calendar year 20 ____ or

▶ ☑ tax year beginning **October 1**, 20 **11**, and ending **December 31**, 20 **11**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☑ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box . . . . ▶ ☐

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

		Enter filer's identifying number, see instructions
Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or ☐
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN) ☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	

Enter the Return code for the return that this application is for (file a separate application for each return) . . . . . ☐☐

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

• The books are in the care of ▶ _____

Telephone No. ▶ _____ FAX No. ▶ _____

• If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . ▶ ☐. If it is for part of the group, check this box . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until _____, 20 _____.

5 For calendar year _____, or other tax year beginning _____, 20 _____, and ending _____, 20 _____.

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension _____

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$
c	**Balance due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Title ▶ Date ▶

Form **8868**

(Rev January 2012)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

• If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ ☐

• If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (*e-file*). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only . . . . . ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or ☐
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN) ☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	

Enter the Return code for the return that this application is for (file a separate application for each return) . . . . . ☐☐

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• The books are in the care of ▶ _____

Telephone No. ▶ _____ FAX No. ▶ _____

• If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . ▶ ☐. If it is for part of the group, check this box . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until _____, 20 ____, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ ☐ calendar year 20 ____ or

▶ ☐ tax year beginning _____, 20 _____, and ending _____, 20 _____.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box . . . . ▶ ☑

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print File by the due date for filing your return See instructions.	Name of exempt organization or other filer, see instructions. **Martha Jefferson Hospital**	Enter filer's identifying number, see instructions Employer identification number (EIN) or ☑ **54-0261840**
	Number, street, and room or suite no. If a P.O. box, see instructions. **500 Martha Jefferson Drive**	Social security number (SSN) ☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. **Charlottesville, VA 22911**	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

• The books are in the care of ▶ **Martha Jefferson Hospital**

Telephone No. ▶ **434-654-8198** FAX No. ▶ **434-654-8189**

• If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . ▶ ☐. If it is for part of the group, check this box . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **November 15**, 20 **12**.

5 For calendar year ____, or other tax year beginning **October 1**, 20 **11**, and ending **December 31**, 20 **11**.

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☑ Change in accounting period

7 State in detail why you need the extension **Information is incomplete for an accurate and detailed return.**

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$
c	**Balance due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ J. Michael Lennon Title ▶ Date ▶