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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

POTOMAC HOSPITAL CORPORATION OF PRINCE WILLIAM

Doing Business As

SENTARA NORTHERN VA MED CENTER

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

6015 POPLAR HALL DRIVE

Room/suite

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

NORFOLK, VA 23502

F Name and address of principal officer

MEGAN PERRY

6015 POPLAR HALL DRIVE

NORFOLK, VA 23502

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.SENTARA.COM

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1968

M State of legal domicile

VA

Part I

Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities TO IDENTIFY HEALTHCARE NEEDS AND ENHANCE THE HEALTH OF OUR INCREASINGLY DIVERSE COMMUNITY		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	8
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	4
Revenue	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	1,351
	6	Total number of volunteers (estimate if necessary)	6	328
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	0
	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	217,351	1,229,697
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	182,170,234	191,413,062
Expenses	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,348,708	2,155,676
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,806,595	667,184
	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	185,542,888	195,465,619
	14	Benefits paid to or for members (Part IX, column (A), line 4)	119,400	93,704
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	78,871,296	79,520,458
	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0	0	0
Net Assets or Fund Balances	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	0	0
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	102,631,342	106,061,480
	19	Revenue less expenses Subtract line 18 from line 12	181,622,038	185,675,642
			3,920,850	9,789,977
			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	240,499,180	265,033,199
	21	Total liabilities (Part X, line 26)	94,407,870	110,887,785
	22	Net assets or fund balances Subtract line 21 from line 20	146,091,310	154,145,414

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

NATHAN G VAN GENDEREN CFO

2012-11-13

Date

Paid Preparer's Use Only

Preparer's signature

Firm's name (or yours if self-employed), address, and ZIP + 4

Date

EIN

Phone no

Check if self-employed

Preparer's taxpayer identification number (see instructions)

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

Part IIIS

Statement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

THE MISSION OF POTOMAC HOSPITAL IS TO IDENTIFY HEALTHCARE NEEDS AND ENHANCE THE HEALTH OF OUR INCREASINGLY DIVERSE COMMUNITY IN PRINCE WILLIAM, SOUTHERN FAIRFAX, AND NORTHERN STAFFORD COUNTIES

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes

☒ No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes

☒ No

If “Yes,” describe these changes on Schedule O

4

Describe the organization’s program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 156,834,843 including grants of \$ 93,704) (Revenue \$ 191,413,062)

THE MISSION OF POTOMAC HOSPITAL IS TO IDENTIFY HEALTHCARE NEEDS AND ENHANCE THE HEALTH OF OUR INCREASINGLY DIVERSE COMMUNITY IN PRINCE WILLIAM, SOUTHERN FAIRFAX, AND NORTHERN STAFFORD COUNTIES THE HOSPITAL OFFERED 183 HOSPITAL BEDS FOR TERTIARY AND ACUTE CARE AND PROVIDED 83,156 ADJUSTED PATIENT DAYS OF CARE DURING 2011 THE HOSPITAL OFFERS A WIDE RANGE OF MEDICAL SPECIALTIES, A HIGHLY QUALIFIED MEDICAL AND CLINICAL STAFF, AND STATE-OF-THE-ART TECHNOLOGY REQUIRED TO UPHOLD ITS MISSION SEE SCHEDULE O FOR A DESCRIPTION OF PROGRAMS AND ACCOMPLISHMENTS OF THE SENTARA HEALTHCARE SYSTEM FOR 2011

4b

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

4c

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

4d

Other program services (Describe in Schedule O)

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

4e

Total program service expenses \$ 156,834,843

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

Part IV

Checklist of Required Schedules (continued)

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

<div>Part V</div> <div>Statements Regarding Other IRS Filings and Tax Compliance</div>			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	158
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return. .	2a	1,351
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4a	No
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8	
9 Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10 Section 501(c)(7) organizations. Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11 Section 501(c)(12) organizations. Enter			
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13a	
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the aggregate amount of reserves on hand.	13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

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

Section B. Policies

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

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

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 Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization.	
CORPORATE OFFICERS 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 (757) 455-7020		

Part VII

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) HOWARD P KERN DIRECTOR/CHAIRMAN	1 00	X		X				0	1,612,156	910,858
(2) DAVID L BERND DIRECTOR	1 00	X						0	3,838,264	743,146
(3) CARLOS CASTRO DIRECTOR	1 00	X						0	0	0
(4) SAM HILL ED D DIRECTOR	1 00	X						0	0	0
(5) MARY BETH MICHOS DIRECTOR	1 00	X						0	0	0
(6) MEGAN R PERRY DIRECTOR/PRESIDENT	40 00	X		X				0	646,498	241,846
(7) MOHAMMAD H RAZAVI MD DIRECTOR (EX OFFICIO NO VOTE)	1 00	X						11,557	0	0
(8) CAROL S SHAPIRO MD DIRECTOR	1 00	X						30,129	63,902	248
(9) R MICHAEL SORENSEN DIRECTOR/VICE CHAIR	2 00	X		X				0	0	0
(10) NATHAN G VAN GENDEREN OFFICER (CFO)	40 00			X				0	245,818	28,314
(11) VALERIE E KEANE KEY EMPLOYEE	40 00				X			184,875	0	151,426
(12) WILLIAM M MOSS KEY EMPLOYEE	40 00				X			202,424	0	120,114
(13) DORKA M PICARD KEY EMPLOYEE	40 00				X			161,131	0	54,950
(14) LINDA G DODGE MID-LEVEL PRACTITIONER	40 00					X		215,735	0	69,917
(15) DAVID SCHWARTZ VP, MEDICAL AFFAIRS VPMA	40 00					X		207,101	0	26,493
(16) BOSCO S REBELLO SURGICAL ASSISTANT	40 00					X		198,816	0	113,271
(17) ADEDAYO AKINBI DIRECTOR, PHARMACY	40 00					X		166,568	0	30,268

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	1,544,863	7,186,290	2,873,971

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 99

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. 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
SODEXO INC & AFFILIATES PO BOX 536922 ATLANTA, GA 30353	FOOD & FACILITY MGMT	2,998,784
PYRAMID HEALTHCARE SOLUTIONS INC PO BOX 17389 CLEARWATER, FL 33762	HC CONSULTANTS	2,273,274
DELPHI HEALTHCARE PARTNERS INC 170 SOUTHPORT DR MORRISVILLE, NC 27560	PHYSICIAN GROUP	1,447,332
MASTERPLAN INC 9582 TOPANGA CANYON RD CHATSWORTH, CA 91311	MEDICAL SYS SUPPORT	1,287,435
HMP OF PRINCE WILLIAM COUNTY PLLC PO BOX 645037 CINCINNATI, OH 45264	PHYSICIAN SERVICES	905,355

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 44

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	2,540					
	c	Fundraising events	1c						
	d	Related organizations	1d						
	e	Government grants (contributions)	1e	7,500					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,219,657					
	g	Noncash contributions included in lines 1a-1f \$ _____							
	h	Total. Add lines 1a-1f		1,229,697					
Program Service Revenue			Business Code						
	2a	PATIENT SERVICE REV	900099	189,881,748	189,881,748				
	b	OTHER PROGRAM SVC REV	900099	827,424	827,424				
	c	EQUITY IN EARN OF AFFI	900099	703,890	703,890				
	d								
	e								
	f	All other program service revenue							
	g	Total. Add lines 2a-2f		191,413,062					
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		824,563			824,563		
	4	Income from investment of tax-exempt bond proceeds . .							
	5	Royalties							
	6a	Gross rents	(i) Real	(ii) Personal					
			1,216,775						
			b	Less rental expenses	748,986				
			c	Rental income or (loss)	467,789				
	d	Net rental income or (loss)		467,789			467,789		
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
			22,203,682	670,545					
			b	Less cost or other basis and sales expenses	21,357,067	186,047			
			c	Gain or (loss)	846,615	484,498			
	d	Net gain or (loss)		1,331,113			1,331,113		
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a						
	b	Less direct expenses	b						
	c	Net income or (loss) from fundraising events . .							
	9a	Gross income from gaming activities See Part IV, line 19	a						
	b	Less direct expenses	b						
	c	Net income or (loss) from gaming activities . .							
	10a	Gross sales of inventory, less returns and allowances	a	170,509					
	b	Less cost of goods sold	b	108,540					
	c	Net income or (loss) from sales of inventory . .		61,969			61,969		
Miscellaneous Revenue		Business Code							
11a	CAFETERIA/CAFE SALES	722210	137,426			137,426			
b									
c									
d	All other revenue								
e	Total. Add lines 11a-11d		137,426						
12	Total revenue. See Instructions		195,465,619	191,413,062	0	2,822,860			

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	76,304	76,304		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	17,400	17,400		
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	916,606	705,787	210,819	
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	65,694,637	50,584,870	15,109,767	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	4,819,815	3,711,258	1,108,557	
9	Other employee benefits	3,223,227	2,481,885	741,342	
10	Payroll taxes	4,866,173	3,746,953	1,119,220	
11	Fees for services (non-employees)				
a	Management	5,563,231	5,563,231		
b	Legal	235,512	181,344	54,168	
c	Accounting	195,167		195,167	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	582,447	448,484	133,963	
g	Other	11,675,474	11,256,922	418,552	
12	Advertising and promotion	957,171		957,171	
13	Office expenses	8,500,031	6,545,024	1,955,007	
14	Information technology	1,063,632	818,997	244,635	
15	Royalties				
16	Occupancy	2,715,528	2,090,957	624,571	
17	Travel	1,192,253	918,035	274,218	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	16,743	12,892	3,851	
20	Interest	3,075,104		3,075,104	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	10,837,827	8,345,127	2,492,700	
23	Insurance	-702,861		-702,861	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MEDICAL SUPPLIES	29,635,185	29,635,185	0	
b	BAD DEBT	26,821,867	26,821,867		
c	PURCHASED SERVICES	2,114,491	1,628,158	486,333	
d	UNRELATED BUSINESS INC	6,000	6,000		
e					
f	All other expenses	1,576,678	1,238,163	338,515	
25	Total functional expenses. Add lines 1 through 24f	185,675,642	156,834,843	28,840,799	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				1	
	2	Savings and temporary cash investments			38,158,006	2	43,971,228
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			19,917,438	4	31,864,657
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L			158,060	6	152,389
	7	Notes and loans receivable, net			646,480	7	674,613
	8	Inventories for sale or use			4,030,226	8	3,845,222
	9	Prepaid expenses and deferred charges			788,202	9	369,807
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	279,152,168	140,259,540	10c	150,352,266
	b	Less: accumulated depreciation	10b	128,799,902			
	11	Investments—publicly traded securities			29,952,488	11	26,011,777
	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			6,588,740	15	7,791,240
	16	Total assets. Add lines 1 through 15 (must equal line 34)			240,499,180	16	265,033,199
Liabilities	17	Accounts payable and accrued expenses			11,576,398	17	7,624,083
	18	Grants payable				18	
	19	Deferred revenue			22,500	19	17,500
	20	Tax-exempt bond liabilities			64,367,275	20	46,422,308
	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			18,441,697	25	56,823,894
	26	Total liabilities. Add lines 17 through 25			94,407,870	26	110,887,785
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			141,837,217	27	150,465,657
	28	Temporarily restricted net assets			3,586,896	28	3,012,560
	29	Permanently restricted net assets			667,197	29	667,197
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			146,091,310	33	154,145,414
	34	Total liabilities and net assets/fund balances			240,499,180	34	265,033,199

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	195,465,619
2	Total expenses (must equal Part IX, column (A), line 25)	2	185,675,642
3	Revenue less expenses Subtract line 2 from line 1	3	9,789,977
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	146,091,310
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-1,735,873
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	154,145,414

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization POTOMAC HOSPITAL CORPORATION OF PRINCE WILLIAM	Employer identification number 54-0853898
----------------------------------------------------------------------------	----------------------------------------------

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

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

- 1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety Se**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)
- | | Yes | No |
|----------|-----|----|
| 11g(i) | | |
| 11g(ii) | | |
| 11g(iii) | | |
- | (i)
Name of supported organization | (ii)
EIN | (iii)
Type of organization (described on lines 1- 9 above or IRC section (see instructions)) | (iv)
Is the organization in col (i) listed in your governing document? | | (v)
Did you notify the organization in col (i) of your support? | | (vi)
Is the organization in col (i) organized in the U S ? | | (vii)
Amount of support? |
|---------------------------------------|-------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----|--------------------------------------------------------------------|----|---------------------------------------------------------------|----|-----------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | | | | | | | | | |
- For Paperwork Reduction Act Notice, see the Instructions for Form 990

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2011

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						

12

Gross receipts from related activities, etc (See instructions)

12

13

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

Section C. Computation of Public Support Percentage

14

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

14

15

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

15

16a

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

16b

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

17a

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

17b

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 IIIPart III

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

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

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

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		

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

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization
POTOMAC HOSPITAL CORPORATION OF PRINCE WILLIAM

Employer identification number
54-0853898

Part I

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

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

Part II

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

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

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

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

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

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

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

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

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

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

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

Part III

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

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

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

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

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

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

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

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

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	4,254,093	1,200,358	1,178,473	1,254,420	
b Contributions	1,262,740	3,982,404	5,000	200	
c Investment earnings or losses		87,528	17,385	-55,416	
d Grants or scholarships	1,000	12,500	500	20,731	
e Other expenditures for facilities and programs	1,836,076	1,003,697			
f Administrative expenses					
g End of year balance	3,679,757	4,254,093	1,200,358	1,178,473	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 0 %

b

Permanent endowment ▶ 18 130 %

c

Term endowment ▶ 81 870 %

3a

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

(i)

unrelated organizations

(ii)

related organizations

3a(i)

Yes

No

3a(ii)

Yes

No

b

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

3b

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	7,791,542	842,351		8,633,893
b Buildings		159,765,256	54,652,522	105,112,734
c Leasehold improvements				
d Equipment		99,263,857	74,147,380	25,116,477
e Other		11,489,162		11,489,162
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				150,352,266

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ENDOWMENT FUND IS FOR THE PRIMARY PURPOSE OF PROVIDING SCHOLARSHIPS TO HIGH SCHOOL SENIORS PLANNING TO ENTER HEALTH CARE RELATED FIELDS OF STUDY. TEMPORARILY RESTRICTED CONTRIBUTIONS ARE TO SPECIFIC PURPOSE FUNDS OR PLANT EXPANSION FUNDS. SPECIFIC PURPOSE FUNDS INCLUDE GENERAL BENEFIT FUNDS SUCH AS MOBILE CLINIC OPERATIONS, MOBILE MAMMOVAN, EMS/EKG TRANSMISSION. OTHER SPECIFIC PURPOSE FUNDS ARE FOR CANCER/ONCOLOGY, AND CARDIAC. PLANT EXPANSION FUNDS INCLUDE FUNDS FOR GENERAL BUILDING. SCH D, PART V, COLUMN B, LINE 1B. POTOMAC HOSPITAL CORPORATION BECAME AFFILIATED WITH SENTARA HEALTHCARE ON 12/01/09. ADDITIONAL FUNDS OF \$3,843,863 WERE RECLASSIFIED AS ENDOWMENT FUNDS AFTER THE AFFILIATION AND HAVE BEEN SHOWN AS CONTRIBUTIONS ON PART V COLUMN (B) LINE 1B.

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
POTOMAC HOSPITAL CORPORATION OF PRINCE WILLIAM

Employer identification number
54-0853898

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%</div> <div><input type="checkbox"/> 150%</div> <div><input checked="" type="checkbox"/> 200%</div> <div><input type="checkbox"/> Other _____ %</div>	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%</div> <div><input type="checkbox"/> 250%</div> <div><input type="checkbox"/> 300%</div> <div><input type="checkbox"/> 350%</div> <div><input type="checkbox"/> 400%</div> <div><input checked="" type="checkbox"/> Other 600.000000000000 %</div>	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.				

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Chanty care at cost (from Worksheet 1)			11,905,026		11,905,026	7 490 %
b Medicaid (from Worksheet 3, column a)			22,094,526	18,250,000	3,844,526	2 420 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Chanty Care and Means-Tested Government Programs			33,999,552	18,250,000	15,749,552	9 910 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			45,731	20,810	24,921	0 020 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			63,454		63,454	0 040 %
j Total Other Benefits			109,185	20,810	88,375	0 060 %
k Total. Add lines 7d and 7j			34,108,737	18,270,810	15,837,927	9 970 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building					1,943	0 %
7Community health improvement advocacy					1,480	0 %
8Workforce development						
9Other						
10Total					3,423	

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense	226,821,867	
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	38,046,560	
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)	533,773,843	
6	Enter Medicare allowable costs of care relating to payments on line 5	644,208,637	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7-10,434,794	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9aYes	
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.	9bYes	

Part IVManagement 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				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

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

Name and address

[illegible]

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)

POTOMAC HOSPITAL

Name of Hospital Facility:

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
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? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 200 0000000000000% If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>600 000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

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

Part V

Facility Information (continued)

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

(list in order of size from largest to smallest)

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

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

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the 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, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 6A THE ORGANIZATION'S COMMUNITY BENEFIT REPORT WAS CONTAINED IN A SYSTEM-WIDE REPORT PREPARED BY SENTARA HEALTHCARE, THE ORGANIZATION'S 501(C)(3) SOLE MEMBER

Identifier	ReturnReference	Explanation
		PART I, LINE 7 A COST-TO-CHARGE RATIO, CALCULATED USING WORKSHEET 2, WAS USED TO CALCULATE COSTS REPORTED IN THE TABLE

Identifier	ReturnReference	Explanation
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 26821867

Identifier	ReturnReference	Explanation
	PART I, LINE 3B	THE ORGANIZATION USED A SLIDING SCALE TO PROVIDE DISCOUNTED CARE TO UNINSURED LOW INCOME INDIVIDUALS, UP TO 600% OF FPG UNINSURED INDIVIDUALS OVER 600% OF FPG RECEIVED A 20% DISCOUNT

Identifier	ReturnReference	Explanation
		PART II COALITION BUILDING - THE ORGANIZATION PARTICIPATED IN VARIOUS COALITIONS ON COMMUNITY ISSUES COMMUNITY HEALTH IMPROVEMENT ADVOCACY-THE ORGANIZATION PARTICIPATED IN VARIOUS COMMUNITY COALITIONS ON ASTHMA AND ON BETTER HEALTH FOR THE COMMUNITY

Identifier	ReturnReference	Explanation
		PART III, LINE 4 BAD DEBT EXPENSE IS REPORTED AT ESTABLISHED RATES IN ACCORDANCE WITH THE ORGANIZATION'S BOOKS AND RECORDS IN COMPUTING LINE 3, THE ORGANIZATION CONSERVATIVELY ESTIMATES THAT 30% OF THE REMAINING ACCOUNTS WOULD QUALIFY FOR CHARITY ASSISTANCE IF SUFFICIENT DATA WAS AVAILABLE THIS ESTIMATE IS BASED ON CREDIT REPORTING DATA PURCHASED FROM EQUIFAX THIS DATA PROVIDES CREDIT SCORE, INCOME PREDICTION DATA AND NUMEROUS LINES OF CREDIT AND ASSET DATA FOR UNRESPONSIVE PATIENTS, THE ORGANIZATION USES THE ESTIMATED INCOME, MARITAL STATUS, ASSET INFORMATION AND CREDIT LINE DATA TO DETERMINE WHETHER THE PATIENT WOULD QUALIFY FOR CHARITY BASED ON A PROJECTED INCOME OF 200% OF THE FEDERAL POVERTY GUIDELINES WITH LITTLE TO NO ASSET DATA THIS INFORMATION IS NOT ALL INCLUSIVE FOR ALL UNRESPONSIVE PATIENTS THAT COULD QUALIFY AS DEPENDENT INFORMATION IS NOT READILY AVAILABLE THE ORGANIZATION'S FINANCIAL STATEMENTS DID NOT INCLUDE A FOOTNOTE DESCRIBING BAD DEBT EXPENSE THE FINANCIAL STATEMENTS ACCOUNTED FOR BAD DEBT BY RESERVING 100% OF THE A/R DEBIT BALANCES OVER 120 DAYS BAD DEBT EXPENSE WAS REPORTED NET OF ANY DISCOUNTS OR COLLECTIONS ON ACCOUNTS THAT WERE PREVIOUSLY WRITTEN-OFF (I E BAD DEBT WRITE-OFFS - DISCOUNTS - PAYMENTS RECEIVED)

Identifier	ReturnReference	Explanation
		PART III, LINE 8 WORKSHEET A IN THE INSTRUCTIONS WAS USED TO COMPUTE THE AMOUNT REPORTED ON LINE 6

Identifier	ReturnReference	Explanation
		PART III, LINE 9B DURING THE TAX YEAR, THE ORGANIZATION HAD POLICIES AND PROCEDURES FOR INTERNAL AND EXTERNAL COLLECTION PRACTICES (INCLUDING ACTIONS IT MIGHT TAKE IN THE EVENT OF NON-PAYMENT, SUCH AS COLLECTIONS ACTION AND REPORTING TO CREDIT AGENCIES) THAT TOOK INTO ACCOUNT THE EXTENT TO WHICH THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, A PATIENT'S GOOD FAITH EFFORT TO APPLY FOR A GOVERNMENTAL PROGRAM OR FOR CHARITY FROM THE ORGANIZATION, AND A PATIENT'S GOOD FAITH EFFORT TO COMPLY WITH HIS OR HER PAYMENT AGREEMENTS WITH THE ORGANIZATION THE ORGANIZATION DID NOT IMPOSE COLLECTION ACTIONS FOR ANY PATIENT WITHOUT FIRST MAKING REASONABLE EFFORTS TO DETERMINE WHETHER THAT PATIENT WAS ELIGIBLE FOR FINANCIAL ASSISTANCE COLLECTION PRACTICES WERE GEARED TOWARDS PATIENTS THAT HAD A HIGH PROBABILITY OF BEING ABLE TO PAY FOR SERVICES BASED ON INCOME LEVEL, CREDIT RATING, VERIFIABLE ASSETS AND INELIGIBILITY FOR FINANCIAL ASSISTANCE THE ORGANIZATION PERFORMED INTERNAL PRECOLLECTION AND BAD DEBT COLLECTION FUNCTIONS AND USED OUTSIDE COLLECTION AGENCIES ON A SECOND PLACEMENT BASIS THE ORGANIZATION DETERMINED WHICH PATIENTS WERE SENT TO OUTSIDE AGENCIES AND GUIDED THE AGENCIES IN PERFORMING REASONABLE COLLECTION EFFORTS

Identifier	ReturnReference	Explanation
POTOMAC HOSPITAL		PART V, SECTION B, LINE 19D SERVICES ELIGIBLE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY, SUCH AS EMERGENCY AND OTHER MEDICALLY NECESSARY CARE, WERE MADE AVAILABLE TO AN UNINSURED PATIENT ON A SLIDING FEE SCALE, IN ACCORDANCE WITH FINANCIAL NEED, AS DETERMINED WITH REFERENCE TO FEDERAL POVERTY GUIDELINES (FPG) IN EFFECT 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 200% OF THE FPG WERE ELIGIBLE TO RECEIVE FREE CARE --UNINSURED PATIENTS WHOSE INCOME WAS ABOVE 200% BUT NOT MORE THAN 300% OF THE FPG WERE ELIGIBLE TO RECEIVE SERVICES AT A 70% DISCOUNT --UNINSURED PATIENTS WHOSE INCOME WAS ABOVE 300% BUT NOT MORE THAN 400% OF THE FPG WERE ELIGIBLE TO RECEIVE SERVICES AT A 60% DISCOUNT --UNINSURED PATIENTS WHOSE INCOME WAS ABOVE 400% BUT NOT MORE THAN 500% OF THE FPG WERE ELIGIBLE TO RECEIVE SERVICES AT A 50% DISCOUNT --UNINSURED PATIENTS WHOSE INCOME WAS ABOVE 500% BUT NOT MORE THAN 600% OF THE FPG WERE ELIGIBLE TO RECEIVE SERVICES AT A 40% DISCOUNT --UNINSURED PATIENTS WHOSE INCOME WAS ABOVE 600% OF THE FPG WERE ELIGIBLE TO RECEIVE SERVICES AT A 20% DISCOUNT

Identifier	ReturnReference	Explanation
POTOMAC HOSPITAL		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 200% OF THE FPG, AND DISCOUNTED CARE TO ALL OTHER UNINSURED 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 "NO" TO THIS QUESTION

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 2 THE ORGANIZATION ASSESSES THE HEALTH CARE NEEDS OF ITS COMMUNITY THROUGH THESE MEANS ANALYSIS OF AREA SOCIODEMOGRAPHIC AND HEALTH STATUS DATA - THE ANALYSIS FOCUSES ON IDENTIFICATION OF HEALTH CARE NEEDS FOR HEALTH SERVICE PLANNING THIS ANALYSIS IS UTILIZED FOR ORIENTATION OF BOARD MEMBERS AND SENIOR HOSPITAL AND MEDICAL STAFF LEADERS AND IS INCORPORATED INTO THE ORGANIZATION'S STRATEGIC PLANS INCORPORATION OF HEALTH CARE NEEDS ASSESSMENTS IN THE ORGANIZATION'S TACTICAL PLANS, I E , FACILITY PLANS, SERVICE LINE PLANS, ETC - IN ADDITION TO THE ANALYSIS OF SOCIODEMOGRAPHIC AND HEALTH STATUS DATA, ADDITIONAL INFORMATION IS OBTAINED AND ANALYZED THIS MAY INCLUDE HEALTH CARE UTILIZATION PATTERNS AND TRENDS FOR EXAMPLE REVIEW OF HEALTH CARE NEEDS ASSESSMENTS AND DATA DEVELOPED BY COMMUNITY PARTNERS (SUCH AS STATE HEALTH DEPARTMENTS AND LOCAL HEALTH DISTRICTS), REGIONAL AGENCIES (SUCH AS THE PLANNING COUNCIL OR PLANNING DISTRICT COMMISSION), NATIONAL ORGANIZATIONS WHICH REPORT ON A LOCAL BASIS (SUCH AS COUNTY HEALTH RANKINGS), AND INFORMATION REPORTED IN LOCAL MEDIA - THIS INFORMATION IS STUDIED AND INCORPORATED INTO THE ORGANIZATION'S PLANS PARTICIPATION IN COLLABORATIVE HEALTH PLANNING AND NEEDS ASSESSMENT ACTIVITIES SUCH AS THOSE SPONSORED BY LOCAL HEALTH DISTRICTS (MAPP - MOBILIZING FOR ACTION THROUGH PLANNING AND PARTNERSHIPS) AND OTHER ORGANIZATIONS SUCH AS UNITED WAY AND ACCESS PARTNERSHIP - INFORMATION GATHERED THROUGH THESE ACTIVITIES IS INCORPORATED INTO THE ORGANIZATION'S PLANNING INFORMATION AND INPUT FROM PATIENTS AND CARE PROVIDERS - PATIENT CHARACTERISTICS AND TRENDS ARE REVIEWED TO ASSIST IN IDENTIFYING NEW COMMUNITY NEEDS INPUT FROM PATIENTS AND CARE PROVIDERS IS SOUGHT AND CYCLED INTO THE ASSESSMENT PHASE OF PROJECTS OTHER - OTHER MEANS OF ASSESSMENT INCLUDE THE USE OF FOCUS GROUPS AND SURVEYS</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 FINANCIAL ASSISTANCE BROCHURES AND OTHER INFORMATION ARE POSTED AT EACH POINT OF SERVICE A TOLL-FREE NUMBER IS GIVEN TO PATIENTS TO REACH CUSTOMER SERVICE REPRESENTATIVES DURING THE BUSINESS DAY FOR QUESTIONS OR CONCERNS FINANCIAL ASSISTANCE PROGRAMS ARE ALSO PUBLISHED ON THE ORGANIZATION'S WEBSITE AND INCLUDED ON THE STATEMENTS PROVIDED TO PATIENTS THE ORGANIZATION EMPLOYS FINANCIAL COUNSELORS WHO ARE AVAILABLE TO HELP PATIENTS COMPLETE APPLICATIONS FOR MEDICAID OR OTHER GOVERNMENT PAYMENT ASSISTANCE PROGRAMS, OR APPLY FOR CARE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY, IF APPLICABLE THE ORGANIZATION ALSO EMPLOYS AN EXTERNAL FIRM TO ASSIST IN THE ELIGIBILITY PROCESS

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 THE ORGANIZATION'S SERVICE AREA INCLUDES THE FOLLOWING AREAS OF PRINCE WILLIAM, STAFFORD, AND FAIRFAX COUNTIES IN NORTHERN VIRGINIA WOODBRIDGE, DUMFRIES, STAFFORD, TRIANGLE, QUANTICO, MANASSAS, AND LORTON THE 2011 POPULATION OF THE ORGANIZATION'S SERVICE AREA IS 373,700 (SOURCE CLARITAS) AND IS PROJECTED TO GROW BY 11.6% OVER THE NEXT FIVE YEARS, COMPARED TO A PROJECTED U.S. GROWTH RATE OF 4.0%. CURRENTLY APPROXIMATELY 6.6% OF THE POPULATION IS AGE 65+, COMPARED TO 13.3% FOR THE U.S. THIS AGE GROUP IS GROWING IN SIZE AND IS PROJECTED TO COMPRISE 8.6% OF THE ORGANIZATION'S SERVICE AREA POPULATION IN 2016. IN TERMS OF THE RACIAL AND ETHNIC COMPOSITION, 46.0% OF THE SERVICE AREA'S POPULATION IS WHITE NON-HISPANIC, THIS COMPARES TO 64.2% NATIONWIDE. 25.0% OF THE AREA'S POPULATION IS BLACK NON-HISPANIC, THE U.S. COMPARISON IS 12.1%. THE HISPANIC ETHNIC GROUP ACCOUNTS FOR 17.8% OF THE POPULATION OF THE SERVICE AREA, COMPARED TO 16.1% NATIONWIDE. THE ASIANS AND PACIFIC ISLANDERS NON-HISPANIC POPULATION REPRESENTS 7.2% OF THE TOTAL, COMPARED TO 4.6% NATIONWIDE. OTHER GROUPS ACCOUNT FOR 4.0% WITHIN THE SERVICE AREA AND 3.0% NATIONALLY. OF THE ORGANIZATION'S SERVICE AREA ADULTS, 90.8% HAVE AT LEAST A HIGH SCHOOL LEVEL OF EDUCATION, COMPARED TO THE 84.9% NATIONALLY. IN 2011, THE PRINCE WILLIAM COUNTY UNEMPLOYMENT RATE WAS 5.8%, COMPARED TO 9.6% NATIONALLY. ABOUT 5.1% OF THE AREA'S WORKFORCE IS EMPLOYED IN THE ARMED FORCES. THE AVERAGE HOUSEHOLD INCOME IN THE ORGANIZATION'S SERVICE AREA IS \$96,549 COMPARED TO THE U.S. HOUSEHOLD AVERAGE OF \$67,529. 6.8% OF THE ORGANIZATION'S SERVICE AREA HOUSEHOLDS HAVE AN ANNUAL INCOME OF \$25,000 OR LESS, COMPARED TO 23.7% OF U.S. HOUSEHOLDS. THE 2011 FEDERAL POVERTY GUIDELINES FOR A FAMILY OF THREE AT 200% IS \$37,060. IT IS ESTIMATED THAT APPROXIMATELY 15% OF THE AREA'S FAMILIES MEET THIS GUIDELINE. FOR 2 OF THE 3 COUNTIES WITHIN THE ORGANIZATION'S SERVICE AREA, PARTS OF THE MUNICIPALITIES ARE DESIGNATED AS MUA (MEDICALLY UNDERSERVED AREA) OR MUP (MEDICALLY UNDERSERVED POPULATION). TWO CIVILIAN GENERAL ACUTE CARE HOSPITALS ARE LOCATED WITHIN THIS AREA, THIS INCLUDES THE SENTARA FACILITY. THE AREA IS ALSO SERVED BY SEVERAL OTHER HOSPITALS LOCATED IN SURROUNDING COMMUNITIES.</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 THE ORGANIZATION'S GOVERNING BODY IS ELECTED ANNUALLY BY THE ORGANIZATION'S SOLE MEMBER, SENTARA HEALTHCARE, A 501(C) TAX-EXEMPT ORGANIZATION, WHOSE COMMUNITY-BASED BOARD IS COMPRISED OF A MAJORITY OF MEMBERS WHO ARE NEITHER EMPLOYEES NOR CONTRACTORS OF SENTARA HEALTHCARE, NOR FAMILY MEMBERS THEREOF GENERALLY, MEDICAL STAFF MEMBERSHIP IS OPEN TO ALL CARE PROVIDERS WHO MAY QUALIFY THE ORGANIZATION'S SURPLUS FUNDS ARE USED FOR IMPROVEMENTS IN PATIENT CARE, PROVISION OF SERVICES TO THE UNINSURED AND UNDERINSURED, MEDICAL EDUCATION, AND COMMUNITY PROGRAMS

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 SENTARA HEALTHCARE, THE ORGANIZATION'S 501(C)(3) SOLE MEMBER, PROVIDES A NUMBER OF PROGRAMS TO PROMOTE THE HEALTH OF THE COMMUNITIES IT SERVES, IN ADDITION TO THOSE IDENTIFIED FOR THE ORGANIZATION SEE FORM 990 PART III SCHEDULE O DISCLOSURE FOR FURTHER INFORMATION ON THE SERVICES AND FACILITIES PROVIDED BY THE SENTARA HEALTHCARE SYSTEM

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
POTOMAC HOSPITAL CORPORATION OF PRINCE WILLIAM

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

Employer identification number
54-0853898

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

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

Part II

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) AMERICAN HEART ASSOCIATION INC4217 PARK PLACE COURT GLEN ALLEN,VA 23060	13-5613797	501(C)(3)	10,000				DONATION/SPONSORSHIP
(2) THE SKILLSOURCE GROUP INC8300 BOONE BLVD STE 450 VIENNA,VA 22182	30-0129320	501(C)(3)	21,454				DONATION/SPONSORSHIP
(3) PRINCE WILLIAM HEALTH PARTNERSHIP 2296 OPITZ BLVD STE 200 WOODBRIDGE,VA 22191	03-0444689	501(C)(3)	30,000				DONATION/SPONSORSHIP
(4) MARINE CORPS HERITAGE FOUNDATION 3800 FETTLER PARK DRIVE DUMFRIES,VA 22025	26-0803466	501(C)(3)	6,500				DONATION/SPONSORSHIP

2

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

4

3

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

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) SCHOLARSHIPS	11	17,400			

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE ORGANIZATION DONATES FUNDS TO OTHER 501(C)(3) ORGANIZATIONS WITH A SIMILAR MISSION OF PROVIDING AND PROMOTING HEALTH, MEDICAL EDUCATION, AND THE SOCIAL, CULTURAL, EDUCATIONAL, AND ECONOMIC DEVELOPMENT OF THE COMMUNITY SUCH ORGANIZATIONS ALSO HAVE COMMUNITY BOARDS WHICH OVERSEE THE PROPER EXPENDITURES OF SUCH FUNDS AUXILIARY SCHOLARSHIPS ARE AWARDED TO AREA HIGH SCHOOL SENIORS WHO PLAN TO PURSUE CAREERS IN A MEDICAL HEALTH CARE OR RELATED FIELD SCHOLARSHIPS FUNDS ARE SENT DIRECTLY TO THE RECIPIENT'S CHOSEN UNIVERSITY OR HIGH SCHOOL UPON VERIFICATION OF THE STUDENT'S ACCEPTANCE STUDENTS ARE SELECTED ON THE BASIS OF GENERAL ACADEMIC ABILITY, PERSONAL CHARACTER, ACADEMIC RECORD, EXTRA-CURRICULAR ACTIVITIES, AND INTEREST IN COMMUNITY RELATIONS AND CITIZENSHIP

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
POTOMAC HOSPITAL CORPORATION OF PRINCE WILLIAM

Employer identification number
54-0853898

Part I

Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) HOWARD P KERN	(i)	0	0	0	0	0	0	0
	(ii)	726,289	868,885	16,982	888,823	22,035	2,523,014	0
(2) DAVID L BERND	(i)	0	0	0	0	0	0	0
	(ii)	1,060,556	1,541,673	1,236,035	718,589	24,557	4,581,410	0
(3) MEGAN R PERRY	(i)	0	0	0	0	0	0	0
	(ii)	356,358	213,035	77,105	217,434	24,412	888,344	0
(4) NATHAN G VAN GENDEREN	(i)	0	0	0	0	0	0	0
	(ii)	208,852	0	36,966	14,251	14,063	274,132	0
(5) VALERIE E KEANE	(i)	167,586	16,000	1,289	141,884	9,542	336,301	0
	(ii)	0	0	0	0	0	0	0
(6) WILLIAM M MOSS	(i)	19,844	0	182,580	110,325	9,789	322,538	0
	(ii)	0	0	0	0	0	0	0
(7) DORKA M PICARD	(i)	132,210	16,000	12,921	50,452	4,498	216,081	0
	(ii)	0	0	0	0	0	0	0
(8) LINDA G DODGE	(i)	214,684	0	1,051	69,090	827	285,652	0
	(ii)	0	0	0	0	0	0	0
(9) DAVID SCHWARTZ	(i)	169,366	25,000	12,735	13,952	12,541	233,594	0
	(ii)	0	0	0	0	0	0	0
(10) BOSCO S REBELLO	(i)	191,074	0	7,742	96,634	16,637	312,087	0
	(ii)	0	0	0	0	0	0	0
(11) ADEDAYO AKINBI	(i)	140,018	25,993	557	9,115	21,153	196,836	0
	(ii)	0	0	0	0	0	0	0
(12) CHARLES W RAMEY	(i)	131,676	16,000	11,991	171,823	19,456	350,946	0
	(ii)	0	0	0	0	0	0	0
(13) WILLIAM H FLANNAGAN JR	(i)	0	0	0	0	0	0	0
	(ii)	0	0	608,130	164,254	16,230	788,614	0
(14) BARBARA A CHARLTON	(i)	932	0	5,928	0	437	7,297	0
	(ii)	23,309	0	148,213	0	10,920	182,442	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	IN LIMITED CIRCUMSTANCES, HOUSING ALLOWANCES ARE PROVIDED FOR TEMPORARY HOUSING IN CONNECTION WITH RECRUITMENT OR RETENTION OF EXECUTIVES OR KEY EMPLOYEES AND ARE TREATED AS ADDITIONAL TAXABLE COMPENSATION AND REPORTED ON FORM W-2 AS TAXABLE WAGES. THE ORGANIZATION ALSO PROVIDES GROSS-UP PAYMENTS ON HOUSING ALLOWANCES (DESCRIBED ABOVE), THEREBY CREATING ADDITIONAL COMPENSATION WHICH IS REPORTED ON FORM W-2 AS TAXABLE WAGES.
	PART I, LINE 3	SENTARA HEALTHCARE, THE 501(C)(3) SOLE MEMBER OF THE ORGANIZATION, ESTABLISHED THE COMPENSATION OF THE ORGANIZATION'S TOP MANAGEMENT OFFICIAL THROUGH THE USE OF AN INDEPENDENT COMPENSATION CONSULTANT AND A COMPENSATION STUDY.
	PART I, LINES 4A-B	WILLIAM FLANNAGAN, FORMER OFFICER, RECEIVED \$608,130 IN COMPENSATION RELATED TO HIS SEPARATION FROM SERVICE. THIS AMOUNT HAS BEEN INCLUDED IN COLUMN (B)(III) OF SCHEDULE J, PART II. BARBARA CHARLTON, FORMER KEY EMPLOYEE, RECEIVED \$137,356 IN COMPENSATION RELATED TO HER SEPARATION FROM SERVICE. THIS AMOUNT HAS BEEN INCLUDED 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 THE SENTARA HEALTHCARE'S BOARD OF DIRECTOR'S COMPENSATION COMMITTEE. THE PLAN IS CURRENTLY CLOSED TO ADDITIONAL MEMBERS. VESTING 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. 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. DAVID BERND, HOWARD KERN, AND MEGAN PERRY 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 YEAR'S 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).
	PART I, LINE 7	KEY CONTRIBUTOR AWARDS - REWARDS EXCEPTIONAL INDIVIDUALS OR TEAMS FOR SIGNIFICANT CONTRIBUTION AND RESULTS AS RECOGNIZED BY BUSINESS UNITS. MANAGER INCENTIVE PLAN - MANAGEMENT EMPLOYEES NOT COVERED UNDER ANOTHER INCENTIVE PLAN ARE ELIGIBLE FOR THE MANAGER INCENTIVE PLAN. AWARDS ARE BASED ON SYSTEM YEAR-END RESULTS AS DETERMINED BY THE BOARD, BUSINESS UNIT RESULTS FOR FINANCIAL, SAFETY, QUALITY, AND CUSTOMER SERVICE, AND THE MANAGER'S INDIVIDUAL PERFORMANCE SCORE. SYSTEM, BUSINESS UNIT, AND INDIVIDUAL RESULTS ARE DETERMINED AFTER YEAR-END, AT WHICH POINT AWARDS MAY BE PAID AND REPORTED AS COMPENSATION. SENIOR LEADERS ARE ELIGIBLE FOR ANNUAL INCENTIVE AWARDS BASED ON ACCOMPLISHMENT OF ANNUAL GOALS AND OBJECTIVES AS APPROVED BY THE EXECUTIVE COMPENSATION COMMITTEE. MAXIMUM OPPORTUNITIES VARY BY LEVEL.

Schedule K (Form 990)	<div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990). ▶ Attach to Form 990. ▶ See separate instructions.</div>	OMB No 1545-0047
		2011
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	Name of the organization POTOMAC HOSPITAL CORPORATION OF PRINCE WILLIAM	Employer identification number 54-0853898
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Part I Bond Issues											
(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A IDA OF THE COUNTY OF PRINCE WILLIAM	52-1325659	74175HCP9	12-18-2003	51,631,054	FINANCING FOR ACUTE CARE FACILITY		X		X		X

Part II Proceeds									
		A		B		C		D	
1	Amount of bonds retired	4,340,000							
2	Amount of bonds defeased								
3	Total proceeds of issue	50,631,054							
4	Gross proceeds in reserve funds	3,408,100							
5	Capitalized interest from proceeds	7,018,506							
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	587,603							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	39,616,845							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2006							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X						

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?	X							
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						
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 <div>▶</div>	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government <div>▶</div>	0 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	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						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?	X							
b	Name of provider	AIGMFC							
c	Term of GIC	9 600000000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part V

Procedures To Undertake Corrective Action

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

Part VI

Supplemental Information

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

Identifier	Return Reference	Explanation
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Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
POTOMAC HOSPITAL CORPORATION OF PRINCE WILLIAM

Employer identification number
54-0853898

Part I

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

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

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

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

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

Part II

Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
(1) DR HALMI AND ASSOCIATES INC										
PHYS RECRUIT-INC GUAR		X	195,560	45,560		No		No	Yes	
(2) BLUE POINT SURGICAL GROUP										
PHYS RECRUIT-INC GUAR		X	106,829	106,829		No		No	Yes	
Total ▶ \$				152,389						

Part III

Grants or Assistance Benefitting Interested Persons.

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

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

Part IVBusiness Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) PIHA LLC	SEE BELOW	30,055	RADIATION SVCS		No

Part VSupplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE L, PART II	LOANS TO INTERESTED PERSONS	THE ORGANIZATION HAS DETERMINED THAT IT HAS A COMMUNITY OBLIGATION IN FURTHERANCE OF ITS CHARITABLE PURPOSES TO ASSIST IN THE RECRUITMENT OF ADDITIONAL PHYSICIANS TO AND RETENTION OF PHYSICIANS IN ITS SERVICE AREA FOR THE PURPOSE OF IMPROVING THE QUALITY, EXPANDING THE SCOPE, AND ENHANCING THE ACCESSIBILITY OF MEDICAL SERVICES TO RESIDENTS OF ITS SERVICE AREA THE ORGANIZATION HAS DETERMINED THAT THE MOST FEASIBLE METHOD BY WHICH TO MEET THIS COMMUNITY OBLIGATION IS THROUGH THE SELECTIVE USE OF RECRUITMENT INCENTIVES INCLUDING, BUT NOT LIMITED TO, FINANCIAL ASSISTANCE WITH THE COSTS ASSOCIATED WITH RELOCATION OF A PHYSICIAN TO ITS SERVICE AREA, AND THE COSTS ASSOCIATED WITH A PHYSICIAN'S INITIAL YEARS IN PRACTICE IN ITS SERVICE AREA TO THAT END, THE ORGANIZATION HAS ENTERED INTO CERTAIN PHYSICIAN INCOME GUARANTY LOANS, WHICH INCLUDES THE PRACTICE OF DR DENIS J HALMI, A FORMER EX-OFFICIO NON-VOTING DIRECTOR, WHEREBY THE ORGANIZATION PROVIDES FINANCIAL ASSISTANCE TO THE PRACTICE IN ORDER TO HELP IT IN RECRUITING, ATTRACTING AND RETAINING ADDITIONAL PHYSICIANS PRACTICING IN A SPECIALTY AREA WHERE THERE IS CURRENTLY AN EXISTING AND PROJECTED SHORTAGE OF PHYSICIANS WITHIN THE ORGANIZATION'S COMMUNITY FUNDS ARE ADVANCED TO THE PRACTICE DURING THE INCOME GUARANTY PERIOD REPAYMENT IS LATER FORGIVEN BASED ON THE PHYSICIAN'S LENGTH OF STAY IN THE SERVICE AREA, IN RECOGNITION OF THE PHYSICIAN'S CONTRIBUTION TO THE HEALTH CARE OF RESIDENTS IN THE SERVICE AREA AMOUNTS FORGIVEN, INCLUDING INTEREST ON OUTSTANDING LOAN BALANCES, ARE REPORTED TO THE IRS ON THE APPLICABLE REPORTING FORM
SCHEDULE L, PART II		FOR THE CALENDAR YEAR 2011, THE FOLLOWING ARE THE AMOUNTS OF PRINCIPAL AND IMPUTED INTEREST FORGIVEN UNDER THE LOANS DR HALMI AND ASSOCIATES, INC FOR DR KRIEGELPRINCIPAL \$62,500IMPUTED INTEREST \$210DR HALMI AND ASSOCIATES, INC FOR DR MAHETEMWORKPRINCIPAL \$50,000IMPUTED INTEREST \$336TOTAL AMOUNT FORGIVEN IN CALENDAR YEAR 2011 \$113,046
SCHEDULE L, PART IV		OFFICER AND BOARD MEMBER MEGAN PERRY AND OFFICER NATHAN VAN GENDEREN SERVE ON THE BOARD OF POTOMAC INOVA HEALTHCARE ALLIANCE(PIHA), LLC, A JOINT VENTURE OF THE ORGANIZATION DIRECTORS/TRUSTEES/OFFICERS/KEY EMPLOYEES OF THE ORGANIZATION MAY ALSO SERVE AS DIRECTORS/TRUSTEES/OFFICERS OF RELATED TAXABLE ENTITIES WITHIN THE SENTARA HEALTHCARE SYSTEM SEE SCHEDULE R FOR A LISTING OF TRANSATIONS THE ORGANIZATION HAD WITH THESE RELATED ENTITIES

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

**Open to Public
Inspection**

Name of the organization POTOMAC HOSPITAL CORPORATION OF PRINCE WILLIAM	Employer identification number 54-0853898
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Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	DAVID BERND AND HOWARD KERN HAVE A BUSINESS RELATIONSHIP THROUGH COMMON OWNERSHIP OF AN ENTITY UNRELATED TO THE ORGANIZATION. THE ORGANIZATION'S OFFICERS AND DIRECTORS SERVED TOGETHER ON THE BOARDS OF OTHER TAXABLE ORGANIZATIONS WITHIN THE SENTARA HEALTHCARE SYSTEM ("THE SYSTEM"), AS WELL AS JOINT VENTURES IN WHICH THE SYSTEM HAD AN OWNERSHIP INTEREST. SEE SCHEDULE R FOR A LISTING OF SUCH ENTITIES.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	THE ORGANIZATION HAD ONE CLASS OF MEMBER, THE SOLE MEMBER BEING SENTARA HEALTHCARE, A VIRGINIA NONSTOCK CORPORATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	THE BOARD OF DIRECTORS, WHICH SERVED AS THE ORGANIZATION'S GOVERNING BODY , WAS ELECTED BY ITS SOLE MEMBER, SENTARA HEALTHCARE, A 501(C)(3) ORGANIZATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	THE SOLE MEMBER, SENTARA HEALTHCARE, A 501(C)(3) ORGANIZATION, HAD EXCLUSIVE AUTHORITY TO DIRECT AND MANAGE THE OPERATIONS AND AFFAIRS OF THE ORGANIZATION AND TO MAKE ALL DECISIONS REGARDING THE BUSINESS OF THE ORGANIZATION, SUBJECT TO THE OVERSIGHT OF THE ORGANIZATION'S BOARD OF DIRECTORS. BOARD MEMBERS SERVED IN AN ADVISORY CAPACITY, MAKING RECOMMENDATIONS TO THE MEMBER REGARDING THE ESTABLISHMENT OF HOSPITAL POLICIES, THE MAINTENANCE OF QUALITY PATIENT CARE, AND THE PROVISION OF INSTITUTIONAL PLANNING IN A MANNER RESPONSIVE TO LOCAL COMMUNITY NEEDS.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE ORGANIZATION WAS PART OF THE SENTARA HEALTHCARE SYSTEM ("THE SYSTEM"), AND AS SUCH, USED THE SYSTEM'S IN-HOUSE TAX DEPARTMENT, HEADED BY A LICENSED CERTIFIED PUBLIC ACCOUNTANT, TO BOTH PREPARE AND REVIEW ITS FORM 990. DURING THE PREPARATION AND REVIEW PROCESS, THE TAX DEPARTMENT WORKED CLOSELY WITH OTHER SYSTEM DEPARTMENTS, SUCH AS LEGAL, COMPENSATION AND BENEFITS, COMPLIANCE, FINANCE, AND MARKETING, TO ENSURE THAT A COMPLETE AND ACCURATE RETURN WAS FILED.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	DIRECTORS, BOARD-NOMINATED OFFICERS, AND KEY EMPLOYEES SUBMIT AN ANNUAL CONFLICT OF INTEREST QUESTIONNAIRE AND CERTIFY TO THE COMPLETION AND ACCURACY OF THE INFORMATION DISCLOSED SENTARA HEALTHCARE SYSTEM'S LEGAL DEPARTMENT MONITORS TRANSACTIONS INVOLVING POTENTIAL CONFLICTS OF INTEREST, TO ENSURE THAT THEY ARE REASONABLE AND AT ARM'S LENGTH REPORTS ON SUCH TRANSACTIONS ARE MADE TO THE AUDIT AND COMPLIANCE COMMITTEE OF THE BOARD AS NECESSARY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15B	<p>AS PART OF THE SENTARA HEALTHCARE SYSTEM ("THE SYSTEM"), THE ORGANIZATION FOLLOWED PROCESSES AND PROCEDURES SET FORTH IN ITS GOVERNING DOCUMENTS TO ENSURE COMPLIANCE WITH ITS OBLIGATIONS AS A 501(C)(3) HEALTHCARE ORGANIZATION TO PAY DISQUALIFIED PERSONS REASONABLE COMPENSATION. SUCH PROCESSES AND PROCEDURES ARE INTENDED TO ESTABLISH THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE INTERNAL REVENUE CODE SECTION 4958 REGULATIONS. THE COMPENSATION PHILOSOPHY OF THE SYSTEM AS A WHOLE IS TO BASE OVERALL COMPENSATION AND BENEFITS FOR EXECUTIVES ON MARKET COMPARABLES, ADJUSTED AS APPLIED TO EACH EXECUTIVE, TAKING INTO CONSIDERATION THE INDIVIDUAL SKILLS, EXPERIENCE, TENURE AND PERFORMANCE OF THE EXECUTIVE BEING COMPENSATED AND OVERALL PERFORMANCE OF THE ORGANIZATION. IN LINE WITH THIS PHILOSOPHY, THE SYSTEM PERFORMED SUBSTANTIAL DUE DILIGENCE AS TO MARKET COMPARABLES. THE SYSTEM'S COMPENSATION COMMITTEE, WHICH CONSISTS OF SYSTEM BOARD MEMBERS WITHOUT CONFLICTS OF INTERESTS, ENGAGED AN OUTSIDE CONSULTANT, WHO REPORTS TO THE COMPENSATION COMMITTEE, TO CONDUCT A STUDY ASSESSING THE COMPETITIVENESS OF TOTAL COMPENSATION (INCLUDING CASH COMPENSATION, BENEFITS AND PERQUISITES) OF ITS SENIOR EXECUTIVES PRIOR TO MAKING DECISIONS REGARDING ANNUAL BASE SALARY ADJUSTMENTS, APPROVING INCENTIVE AWARDS, OR CONSIDERING PROGRAMMATIC CHANGES. THE STUDY COMPARED THE COMPENSATION OF THE SYSTEM'S SENIOR EXECUTIVES TO COMPENSATION DATA FROM MULTIPLE PUBLISHED SURVEY SOURCES BASED ON THE SENIOR EXECUTIVE'S FUNCTIONAL RESPONSIBILITY. IN CONDUCTING THE STUDY, THE CONSULTANT TARGETED OTHER HEALTH SYSTEMS OF SIMILAR SIZE BASED ON NET REVENUE AND COMPLEXITY. FOR HEALTH PLAN POSITIONS, HEALTH PLANS WITH SIMILAR PREMIUMS, OR MEMBERS, WERE TARGETED. THE CONSULTANT ALSO CONDUCTS A REVIEW OF THE ORGANIZATION'S PERFORMANCE RELATIVE TO A GROUP OF NOT-FOR-PROFIT HEALTH SYSTEMS OF COMPARABLE SIZE AND SCOPE OF OPERATIONS EVERY TWO TO THREE YEARS. THE MOST RECENT STUDY COMPARED SENTARA'S PERFORMANCE TO 19 HEALTHCARE SYSTEMS BASED ON NET REVENUE GROWTH, OPERATING MARGIN, BOND RATING, AND QUALITATIVE PERFORMANCE MEASURES BASED ON RANKINGS FROM SDI'S NATIONAL TOP INTEGRATED HEALTH NETWORKS. OVERALL, THE CONSULTANT DETERMINED THAT SENTARA'S PAY WAS ALIGNED WITH ITS RELATIVE PERFORMANCE. THE COMPENSATION STUDY WAS PRESENTED TO THE SYSTEM'S COMPENSATION COMMITTEE, WHICH MADE ITS COMPENSATION DECISIONS BASED ON A) ITS REVIEW AND ANALYSIS OF THE PERFORMANCE OF BOTH THE ORGANIZATION AND ITS SENIOR EXECUTIVES AND, B) A REASONABLENESS OF COMPENSATION ANALYSIS AND OPINION FROM AN EXTERNAL EXPERT IN THE COMPENSATION OF EXECUTIVES IN THE TAX-EXEMPT HEALTH CARE FIELD. THE COMMITTEE'S BASES FOR ITS DECISIONS WERE DOCUMENTED IN COMMITTEE MINUTES TAKEN DURING THE MEETING AND THEN CIRCULATED FOR REVIEW AND APPROVAL. ALL DECISIONS REGARDING COMPENSATION WERE MADE BY THE COMMITTEE, WHICH CONSISTS OF SYSTEM BOARD MEMBERS WITHOUT CONFLICT OF INTERESTS. THIS PROCESS, LAST UNDERTAKEN IN 2011, WAS USED TO ESTABLISH COMPENSATION FOR THE ORGANIZATION'S CHAIRMAN, WHO ALSO SERVES AS COO/PRESIDENT OF THE SYSTEM. THE OUTSIDE MARKET STUDY DESCRIBED ABOVE WAS ALSO USED TO ESTABLISH COMPENSATION FOR THE ORGANIZATION'S PRESIDENT, WHO IS CONSIDERED THE TOP MANAGEMENT OFFICIAL OF THE ORGANIZATION. RESULTS WERE PRESENTED TO SENIOR EXECUTIVES OF THE SYSTEM FOR REVIEW AND APPROVAL RATHER THAN THE SYSTEM'S COMPENSATION COMMITTEE.</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE CONSOLIDATED FINANCIAL STATEMENTS FOR POTOMAC HOSPITAL CORPORATION OF PRINCE WILLIAM AND SUBSIDIARY ARE MADE PUBLICLY AVAILABLE THROUGH THE USE OF DAC BOND (DISCLOSURE DISSEMINATION AGENT) AND CAN BE FOUND ON THE INTERNET AT WWW.DACBOND.COM. THE ORGANIZATION'S GOVERNING DOCUMENTS AND CONFLICTS OF INTEREST POLICY ARE GENERALLY NOT MADE AVAILABLE TO THE PUBLIC.

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -1,042,107 UNCOLLECTIBLE PLEDGE RECEIVABLES -693,766 TOTAL TO FORM 990, PART XI, LINE 5 -1,735,873

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4A	<p>SENTARA HEALTHCARE IS YOUR NOT-FOR-PROFIT HEALTH PARTNER FOR MORE THAN 120 YEARS, SENTARA HEALTHCARE HAS BEEN COMMITTED TO HELPING PEOPLE WITH THEIR HEALTHCARE NEEDS, AND FOR THE SECOND YEAR IN A ROW, MODERN HEALTHCARE MAGAZINE HAS RECOGNIZED US AS THE NATION'S NUMBER-ONE MOST INTEGRATED HEALTHCARE SYSTEM. U.S. NEWS & WORLD REPORT NAMED US THE MOST RECOGNIZED PROVIDER IN HAMPTON ROADS, A COMMUNITY OF CITIES AND COUNTIES IN SOUTHEAST VIRGINIA. PROVIDERS INCLUDED ON THE LIST MAY BE CONSIDERED AMONG THE NATION'S BEST, OR THEY ARE HIGH PERFORMING IN THE REGION THEY SERVE. FOUNDED IN 1888 AS THE RETREAT FOR THE SICK IN NORFOLK, VIRGINIA, WE HAVE GROWN THROUGHOUT VIRGINIA AND NORTH CAROLINA AND NOW OPERATE MORE THAN 100 SITES OF CARE, INCLUDING 10 ACUTE CARE HOSPITALS, SEVEN IN HAMPTON ROADS, ONE IN NORTHERN VIRGINIA, AND TWO IN THE BLUE RIDGE REGION OF VIRGINIA. OUR NOT-FOR-PROFIT SYSTEM PROUDLY INCLUDES ADVANCED IMAGING CENTERS, NURSING AND ASSISTED-LIVING CENTERS, OUTPATIENT CAMPUSES, PHYSICAL THERAPY AND REHABILITATION SERVICES, A HOME HEALTH AND HOSPICE AGENCY, A 3,680-PROVIDER MEDICAL STAFF, AND THREE MEDICAL GROUPS WITH 618 PROVIDERS. IN ADDITION, WE PROVIDE MEDICAL TRANSPORT AMBULANCES AND THE NIGHTINGALE AIR AMBULANCE, AND EXTEND HEALTH INSURANCE TO MORE THAN 440,000 PEOPLE THROUGH OPTIMA HEALTH, OUR AWARD-WINNING HEALTH PLAN. AMONG OUR MANY STRENGTHS, WE ARE A NATIONAL LEADER IN HEART AND KIDNEY CARE, STROKE CARE, AND INFECTION PREVENTION, AND WE WERE THE FIRST IN THE NATION TO DEVELOP THE EICU, A REMOTE MONITORING SYSTEM FOR INTENSIVE CARE. OUR DEDICATION TO IMPROVING AND INCREASING MEDICAL OPTIONS FOR OUR NEIGHBORS IS REINFORCED BY OUR COMMUNITY OUTREACH PROGRAMS, OUR INTRODUCTION OF NEW MEDICAL PROCEDURES, AND OUR PARTICIPATION IN MEDICAL TRIALS. THROUGH ALL OF THIS WORK, WE ADVANCE OUR MISSION OF IMPROVING HEALTH EVERY DAY.</p> <p>II. GROWING THE SENTARA FAMILY. SINCE THE BEGINNING, SENTARA HAS REACHED OUT TO NEARBY INDUSTRY LEADERS AND JOINED FORCES TO EXTEND HEALTHCARE TO MORE PEOPLE. IN RECENT YEARS, WE HAVE GROWN THROUGHOUT VIRGINIA BY SEEKING PARTNERSHIPS WITH LONG-ESTABLISHED AND SUCCESSFUL HOSPITALS AND HEALTHCARE SYSTEMS WHO SHARE OUR DEDICATION TO EXCELLENCE AND VALUE. OUR INTEGRATED HEALTHCARE SYSTEM NOW INCLUDES:</p> <p>A. MARTHA JEFFERSON HOSPITAL. MARTHA JEFFERSON HOSPITAL (MJH), A 176-BED, NOT-FOR-PROFIT COMMUNITY HOSPITAL LOCATED IN CHARLOTTESVILLE, VIRGINIA, OFFICIALLY BECAME PART OF SENTARA HEALTHCARE IN JUNE 2011, MAKING IT OUR 10TH HOSPITAL. THE HOSPITAL ADMITS MORE THAN 11,000 INPATIENTS, TREATS MORE THAN 214,000 OUTPATIENTS, AND DELIVERS NEARLY 1,800 BABIES EACH YEAR. MJH PERFORMS MORE THAN 2,700 INPATIENT AND MORE THAN 3,600 OUTPATIENT SURGICAL PROCEDURES ANNUALLY, AND THE EMERGENCY DEPARTMENT TREATS MORE THAN 48,700 PATIENTS. MAJOR SERVICES INCLUDE A CANCER CARE CENTER, DIGESTIVE CARE CENTER, CARDIOLOGY CARE CENTER, ORTHOPEDICS, INCLUDING SPINE SURGERY AND JOINT REPLACEMENT SURGERY, WEIGHT LOSS SURGERY, STROKE CENTER SURGERY, THORACIC SURGERY, VASCULAR MEDICINE AND SURGERY, AND A WOMEN'S HEALTH CENTER. MJH EMPLOYS 1,600 STAFF MEMBERS, WITH 470 PHYSICIANS REPRESENTING MORE THAN 40 SPECIALTIES.</p> <p>B. RMH HEALTHCARE/ROCKINGHAM MEMORIAL HOSPITAL. SENTARA HEALTHCARE FINALIZED ITS AFFILIATION WITH RMH HEALTHCARE (LEGALLY KNOWN AS ROCKINGHAM MEMORIAL HOSPITAL WITH A FICTITIOUS/PUBLIC NAME OF RMH HEALTHCARE) IN MAY 2011. RMH IS A 238-BED, NOT-FOR-PROFIT COMMUNITY HOSPITAL IN HARRISONBURG, VIRGINIA THAT FIRST OPENED ITS DOORS IN 1912. SERVING A POPULATION OF OVER 200,000, THE HOSPITAL ADMITS MORE THAN 15,500 INPATIENTS AND DELIVERS CLOSE TO 1,750 BABIES ANNUALLY. THE STAFF AVERAGES MORE THAN 18,000 SURGICAL PROCEDURES ANNUALLY. THE RMH HAHN CENTER PROVIDES MORE THAN 16,000 CANCER TREATMENTS, AND THE RMH EMERGENCY DEPARTMENT TREATS MORE THAN 70,000 PATIENTS. SIGNATURE SERVICES INCLUDE A COMPREHENSIVE HEART AND VASCULAR CENTER, A FAMILY BIRTHPLACE, A SLEEP MEDICINE CENTER, IMAGING SERVICES, BEHAVIORAL HEALTH SERVICES, A WOMEN'S CENTER, AND A WELLNESS CENTER. THE RMH MEDICAL STAFF HAS 289 PHYSICIANS IN 40 SPECIALTIES, AND THE RMH MEDICAL GROUP EMPLOYS 77 PHYSICIANS IN 13 SPECIALTIES.</p> <p>C. SENTARA POTOMAC HOSPITAL/SENTARA NORTHERN VIRGINIA MEDICAL CENTER. IN DECEMBER 2009, SENTARA HEALTHCARE FINALIZED ITS AFFILIATION WITH POTOMAC HOSPITAL IN NORTHERN VIRGINIA. THE HOSPITAL FORMALLY ADOPTED THE SENTARA NAME IN 2011. SENTARA POTOMAC HOSPITAL (SPH) IS A 183-BED, NOT-FOR-PROFIT COMMUNITY HOSPITAL LOCATED IN WOODBRIDGE, VIRGINIA. ITS 1,000-PLUS EMPLOYEES INCLUDE MORE THAN 250 MEDICAL STAFF MEMBERS. THE HOSPITAL OFFERS A WIDE RANGE OF MEDICAL SPECIALTIES, A HIGHLY QUALIFIED MEDICAL AND CLINICAL STAFF, AND STATE-OF-THE-ART TECHNOLOGY TO UPHOLD ITS MISSION OF CARING FOR EVERYONE IN PRINCE WILLIAM COUNTY AND THE SURROUNDING COMMUNITIES. RESIDENTS IN NORTHERN VIRGINIA NOW HAVE THE OPTION OF RECEIVING CARDIOVASCULAR CARE CLOSE TO HOME, THANKS TO THE NEW SERVICES TO BE OFFERED IN THE SENTARA HEART AND VASCULAR CENTER AT POTOMAC.</p>

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PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4A	<p>AC HOSPITAL THE 12,000 SQUARE FOOT CENTER WITHIN THE HOSPITAL INCLUDES INTERVENTIONAL CAR DIAC CATHETERIZATION (PREVIOUSLY UNAVAILABLE IN THE COUNTY,) EMERGENT CARE OF STEMI PATIENTS AND OTHER PROCEDURES FOR CARDIAC DISEASE. RESIDENTS CAN ALSO BENEFIT FROM THE CONVENIENT, HIGH-QUALITY CARE OFFERED BY SENTARA MEDICAL GROUP, A PATIENT-FOCUSED PRACTICE WITH MULTI-SPECIALTY PHYSICIANS WITH OFFICES IN NORTHERN VIRGINIA (THE HOSPITAL'S NAME WAS LATER CHANGED TO SENTARA NORTHERN VIRGINIA MEDICAL CENTER)</p> <p>III CONSTANTLY LOOKING AHEAD TO BEST SERVE OUR COMMUNITIES AND PROVIDE THE MOST PATIENT-FOCUSED, COST-EFFECTIVE HEALTHCARE POSSIBLE, WE SEEK TO EXPAND AND ENHANCE OUR SERVICES IN A VARIETY OF WAYS. WE STRIVE TO BE THE FIRST IN OUR COMMUNITIES TO OFFER NEW, YET PROVEN, MEDICAL PROCEDURES, AND WE REACH OUT TO NEW COMMUNITIES TO OFFER SERVICES WE HAVE PROUDLY AND SUCCESSFULLY OFFERED IN OTHER REGIONS. SOME OF THE WAYS WE HAVE DONE THIS RECENTLY INCLUDE:</p> <p>A. OFFERING AND STUDYING NEW PROCEDURES AND TECHNOLOGY. IN 2011, SENTARA PHYSICIANS LED THE WAY IN HAMPTON ROADS BY OFFERING LIFE-SAVING PROCEDURES PREVIOUSLY NOT AVAILABLE IN THE REGION OR NOT READILY AVAILABLE. BY DOING SO, THEY GAVE RESIDENTS THE COMFORT AND COST-SAVINGS OF BEING CLOSE TO HOME WHILE IMPROVING THEIR HEALTH. IMPORTANT OPTIONS OUR PHYSICIANS INTRODUCED INCLUDED THE REGION'S FIRST AORTIC VALVE REPLACEMENT VIA CATHETER, THE FIRST O-ARM IMAGING SYSTEM TO ENHANCE SPINAL SURGERY, THE FIRST PAIRED KIDNEY EXCHANGE, AND A NEW ELECTROMAGNETIC NAVIGATIONAL BRONCHOSCOPY PROCEDURE. ALSO IN 2011, SENTARA WAS RECOGNIZED BY THE VIRGINIA HEART ATTACK COALITION FOR OUR EFFORTS IN WORKING WITH AREA EMS UNITS TO LAUNCH LIFENET, WHICH TRANSMITS VITAL, POTENTIALLY LIFESAVING PATIENT INFORMATION WHEN A HEART ATTACK IS SUSPECTED BY AN EMS TECHNICIAN. WE EXPLORED NEW TREATMENTS AS WELL IN NUMEROUS STUDIES. ONE OF THE MOST SIGNIFICANT RESEARCH PROJECTS WAS A STROKE STUDY. OUR DOCTORS AND PATIENTS JOINED. THE STUDY RESULTS LED TO AN EARLY DECISION TO END ENROLLMENT, AFTER FINDING THAT PATIENTS AT HIGH RISK OF A SECOND STROKE WHO WERE TREATED WITH STENTS-THOUGHT TO BE MORE HELPFUL THAN AGGRESSIVE MEDICAL MANAGEMENT-WERE ACTUALLY FARING WORSE. THIS IS JUST ONE EXAMPLE OF OUR COMMITMENT TO EXPLORING NEW OPTIONS AND QUICKLY APPLYING ACQUIRED KNOWLEDGE TO BETTER SERVE OUR PATIENTS. GAINING SUCH KNOWLEDGE IN REGARDS TO THE BRAIN WAS PART OF OUR MOTIVATION LAST YEAR WHEN WE CREATED THE SENTARA NEUROSCIENCES INSTITUTE, A NETWORK OF NEUROSCIENCE EXPERTS DEDICATED TO EDUCATION, PREVENTION, RESEARCH AND THE TREATMENT OF NEUROLOGIC DISORDERS. SENTARA NEUROSCIENCES INSTITUTE PHYSICIANS ARE INVOLVED IN NATIONAL RESEARCH STUDIES OFFERING LOCAL PATIENTS NEW TREATMENT OPTIONS NOT OTHERWISE AVAILABLE IN THE AREA. NEARLY TWO DOZEN STUDIES ARE CURRENTLY UNDERWAY IN STROKE CARE, EPILEPSY, AND PARKINSON'S DISEASE WITH PATIENTS IN THE REGION. IN COLLABORATION WITH EASTERN VIRGINIA MEDICAL SCHOOL AND OTHER NEUROSCIENCE EXPERTS, THE SENTARA NEUROSCIENCES INSTITUTE OFFERS SOME OF THE MOST COMPREHENSIVE AND ADVANCED CARE TREATING DISEASES OF THE BRAIN, SPINAL CORD, NERVES AND MUSCLES IN VIRGINIA. THE INSTITUTE STRENGTHENS THE NEUROSCIENCE PROGRAM THAT HAS BEEN IN PLACE AT SENTARA FOR YEARS.</p> <p>B. EXPANDING SERVICE AREAS AND PARTNERSHIPS. OPTIMA HEALTH, SENTARA HEALTHCARE'S AWARD-WINNING HEALTH PLAN, EXPANDED ITS POPULAR OFFERINGS TO SOUTHWEST VIRGINIA, ROANOKE, AND SURROUNDING COMMUNITIES IN 2011. WITH A STRONG NETWORK OF PHYSICIANS AND HOSPITALS IN THE AREA THANKS TO OUR RECENT EXPANSIONS, IT MADE SENSE TO START OFFERING OUR HEALTHCARE COVERAGE SO THAT WE CAN BETTER SERVE THE PEOPLE OF THESE REGIONS.</p>

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		<p>WE HAVE TAKEN SIMILAR STEPS IN THE RECENT PAST MEDICAL TRANSPORT, OUR PREMIER COMMERCIAL EMS AGENCY AND AMBULANCE TRANSPORT SERVICE IN SOUTHEASTERN VIRGINIA, WITH ITS HOME OFFICE IN VIRGINIA BEACH, EXPANDED TO CHARLOTTESVILLE AND PETERSBURG, VIRGINIA IN 2008, TO CHRIST IANBURG AND ROANOKE, VIRGINIA IN 2009 AND TO THE PRINCE WILLIAM AREA IN 2010 MEDICAL TRANSPORT IS DEDICATED TO SERVING ITS PATIENTS WITH OUTSTANDING CUSTOMER SERVICE WITH THE LARG EST FLEET OF AMBULANCES IN VIRGINIA SENTARA HOME CARE ALSO EXPANDED IN A SIMILAR WAY TO S ERVE MORE VIRGINIANS WE HAVE BEEN BRINGING HIGH-QUALITY HEALTHCARE HOME TO OUR PATIENTS SINCE 1982 TODAY, SENTARA HOME CARE SERVES PATIENTS THROUGHOUT MOST OF VIRGINIA AND BEYOND , INCLUDING HAMPTON ROADS, RICHMOND, AND NORTHEASTERN NORTH CAROLINA IN 2008, HOME CARE'S SERVICE AREA GREW TO CHARLOTTESVILLE AND COVINGTON, VIRGINIA, AND IN 2009, IT EXPANDED TO BATH COUNTY IN WESTERN VIRGINIA IN ADDITION TO EXPANDING SERVICES, SENTARA FORMED PARTNE RSHIPS IN 2011 TO STREAMLINE PROCEDURES AND REDUCE COSTS WE JOINED FORCES WITH MEDSTAR HE ALTH AND NOVANT HEALTH WITH THE INTENTION OF SIMPLIFYING THE PURCHASING OF SUPPLIES AND SE CURING QUANTITY DISCOUNTS WORKING TOGETHER TO PURCHASE SUPPLIES AS ONE ENTITY, WE WILL PR ODUCE SAVINGS THAT CAN SUPPORT LOWER HEALTHCARE COSTS C EXPANDING EDUCATIONAL SERVICES S ENTARA ANNOUNCED A SIGNIFICANT GIFT TO EASTERN VIRGINIA MEDICAL SCHOOL (EVMS) IN 2011, IN THE FORM OF TWO SEPARATE ENDOWMENTS OF \$5 MILLION EACH TOGETHER THESE GIFTS REPRESENT THE LARGEST DONATION IN THE MEDICAL SCHOOL'S HISTORY THEY WILL PROVIDE ONGOING SUPPORT TO TH E SENTARA SIMULATION CENTER FOR IMMERSIVE LEARNING AT EVMS AND THE GLENNAN CENTER FOR GERI ATRICS AND GERONTOLOGY SINCE 2006, SENTARA HAS COMMITTED TO PROVIDE EVMS WITH \$52 MILLION IN PROGRAM DEVELOPMENT FUNDING IN ADDITION TO SUPPORTING EVMS, SENTARA HAS ALSO EXPANDED ITS OWN EDUCATIONAL SERVICES THE SENTARA SCHOOL OF HEALTH PROFESSIONALS CHANGED ITS NAME IN 2009 TO THE SENTARA COLLEGE OF HEALTH SCIENCES (SCHS) AFTER RECEIVING APPROVAL TO OFFE R A BACCALAUREATE DEGREE IN NURSING OUR NEW BACHELOR OF SCIENCE IN NURSING PROGRAM BEGAN AUGUST 2010 WITH FOUR WAYS TO RECEIVE A BACHELOR OF SCIENCE IN NURSING DEGREE TRADITIONAL BSN, LPN TO BSN, RN TO BSN AND EARLY ADMISSION FOR HIGH SCHOOL SENIORS OUR CARDIOVASCULA R PROGRAMS ADDED A NEW SPECIALTY IN 2011 -- CARDIAC ELECTROPHY SIOLOGY, AND ALL FOUR SPECIA LTIES (INVASIVE CARDIOVASCULAR TECHNOLOGIST, NON-INVASIVE VASCULAR STUDY, ADULT ECHOCARDIO GRAPHY, AND SURGICAL TECHNOLOGY) BECAME ASSOCIATES OF OCCUPATIONAL SCIENCE DEGREES IN 2010 THE SURGICAL TECHNOLOGY PROGRAM WILL LAUNCH THE FIRST ASSOCIATE OF OCCUPATIONAL SCIENCE DEGREE WITH THE JAN 2013 CLASS IV BUILDING FOR THE FUTURE ALONG WITH REACHING OUT TO NE W COMMUNITIES, SENTARA HEALTHCARE STRIVES TO BUILD ON OUR EXISTING SERVICES AND IN OUR EST ABLISHED AREAS SO THAT WE EXCEED OUR PATIENTS' EXPECTATIONS AND MEET GROWING HEALTHCARE DE MANDS SOME OF THE CHANGES WE HAVE INVESTED IN IN OUR ESTABLISHED COMMUNITIES RECENTLY INC LUDE A SENTARA LAKE RIDGE CONSTRUCTION BEGAN IN 2011 ON SENTARA LAKE RIDGE, AN INNOVATIV E AND MODERN OUTPATIENT CAMPUS OFFERING CONVENIENT, HIGH-QUALITY MEDICAL SERVICES AND A PA TIENT-FOCUSED EXPERIENCE THE 43,500 SQUARE-FOOT FACILITY OPENED IN APRIL 2012 AS SENTARA' S FIRST OUTPATIENT FACILITY IN NORTHERN VIRGINIA TO PROVIDE 24-HOUR EMERGENCY CARE, ADVANC ED IMAGING BY BOARD-CERTIFIED PHYSICIANS, AND LABORATORY SERVICES B SENTARA PRINCESS ANN E HOSPITAL THIS NEW, FIVE-STORY ACUTE CARE HOSPITAL OPENED IN AUGUST 2011 IN PARTNERSHIP W ITH BON SECOURS VIRGINIA THE 330,400-SQUARE-FOOT HOSPITAL COMPLEMENTS THE CONVENIENT OUTP ATIENT SERVICES ALREADY PROVIDED AT SENTARA PRINCESS ANNE HEALTH CAMPUS AND OFFERS COMPREH ENSIVE SURGICAL PROCEDURES, INTENSIVE CARE, ADVANCED CARDIAC CARE, AND A DEDICATED FAMILY MATERNITY CENTER FOR SOUTHERN VIRGINIA BEACH RESIDENTS C SENTARA LEIGH TOWER WORK BEGAN IN DECEMBER 2011 ON A MULTI-PHASE, THREE-YEAR PROJECT TO BUILD A NEW SENTARA LEIGH HOSPITA L ON THE SITE OF THE CURRENT ONE TWO FIVE-STORY PATIENT TOWERS WILL EVENTUALLY REPLACE TH REE 1970S-ERA WINGS AT THE NORFOLK, VIRGINIA HOSPITAL THE NEW TOWERS WILL FEATURE STATE-O F-THE-ART PATIENT ROOMS WITH PRIVATE BATHROOMS, NO-STEP SHOWERS AND OVERNIGHT ACCOMMODATIO NS FOR FAMILIES THE PROJECT ALSO INCLUDES A 48-BED ORTHOPEDIC AND REHABILITATION CENTER O N THE FIRST FLOOR THAT WILL EMPLOY PART OF THE OUTSIDE GARDEN SPACE FOR WALKING EXERCISES ON DIFFERENT GRADES AND SURFACES, MAKING IT A TRUE HEALING GARDEN THE PROJECT WILL CONTIN UE AS OUR STAFF MAINTAINS EXCELLENT, UNINTERRUPTED PATIENT CARE DURING THE PHASED CONSTRUC TION D SENTARA SENIOR DAY SERVICES SENTARA LIFE CARE, THE SENIOR SERVICES DIVISION OF SE NTARA HEALTHCARE, INTRODUCED SENIOR DAY SERVICES AT SENTARA VILLAGE IN CHESAPEAKE IN NOVEM BER 2011 A SIMILAR PROGRAM HAS BEEN IN OPERATION FOR 19 YEARS AT SENTARA VILLAGE IN VIRGI NIA BEACH IT OFFERS A CHOICE OF FULL- AND HALF-DA</p>

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		<p>Y PROGRAMS AND HOURLY RESPITE SERVICES FOR SENIORS WHO LIVE AT HOME WITH THEIR FAMILIES. THE PROGRAM INCLUDES MEALS, ACTIVITIES AND SOCIALIZATION IN A SAFE ENVIRONMENT MONDAY THROUGH SATURDAY. WHEELCHAIR-ACCESSIBLE VAN TRANSPORTATION TO THE PROGRAM AND BACK HOME IS AVAILABLE. THE PROGRAM IS DESIGNED TO MEET SENIORS' SOCIALIZATION NEEDS AND FEATURES CRAFTS, CLASSES AND OUTINGS AS PARTICIPANTS ARE ABLE AND INTERESTED.</p> <p>THE NEW NIGHTINGALE REGIONAL AIR AMBULANCE IN JUNE 2011, SENTARA HEALTH FOUNDATION HELPED COMPLETE THE PURCHASE OF A NEW HELICOPTER TO REPLACE OUR NIGHTINGALE REGIONAL AIR AMBULANCE HELICOPTER. THE TOTAL COST OF THE NEW STATE-OF-THE-ART EUROCOPTER EC-145 WAS \$7.2 MILLION. NIGHTINGALE OPERATES AT A DEFICIT OF AS MUCH AS \$650,000 PER YEAR BECAUSE SENTARA TAKES CARE OF EVERY NIGHTINGALE PATIENT, 24 HOURS PER DAY, REGARDLESS OF ABILITY TO PAY. EVERY YEAR, NIGHTINGALE TOUCHES THE LIVES OF ALMOST 700 CRITICALLY ILL AND INJURED PATIENTS.</p> <p>THE NEW PATIENT WING AT SENTARA OBIC. THE ADDITION OF A NEW WING TO SENTARA OBIC HOSPITAL WAS COMPLETED IN JUNE 2010. THE NEW THREE-STORY, 63,480 SQUARE-FOOT WING OF THE SUFFOLK, VIRGINIA HOSPITAL INCLUDES ALL PRIVATE BEDS SERVING ORTHOPEDIC, MEDICAL, AND SURGICAL PATIENTS. IT INCREASED THE HOSPITAL'S BED CAPACITY TO 168 BEDS AND WILL HELP US MEET OUR GOAL OF IMPROVING CARE AND ACCESS FOR SENTARA OBIC HOSPITAL PATIENTS AND THE SURROUNDING WESTERN HAMPTON ROADS COMMUNITY, WHICH IS EXPECTED TO GROW 10 PERCENT BY 2014.</p> <p>THE G ORTHOPEDIC HOSPITAL AT SENTARA CAREPLEX. THE ORTHOPEDIC HOSPITAL AT SENTARA CAREPLEX IN HAMPTON, VIRGINIA OPENED IN JULY 2010 AS THE AREA'S FIRST DEDICATED ORTHOPEDIC HOSPITAL, TAKING SPECIALIZED ORTHOPEDIC CARE TO A NEW LEVEL. THE 55,000 SQUARE-FOOT, TWO-STORY FACILITY PROVIDES PATIENTS ACCESS TO THE FULL CONTINUUM OF ORTHOPEDIC SERVICES, FROM THE PRE-OPERATIVE PHASE AND SURGERY TO REHABILITATION AND HOME CARE SERVICES.</p> <p>THE SENTARA ST. LUKE'S. THIS TWO-STORY, 52,000 SQUARE-FOOT MEDICAL OFFICE BUILDING OPENED IN ISLE OF WIGHT, VIRGINIA IN 2010. IT FEATURES AN URGENT CARE CENTER, AN ADVANCED IMAGING CENTER, LABORATORY SERVICES, AND PHYSICAL THERAPY SERVICES. IT ALSO HOUSES SEVERAL PRIMARY CARE AND SPECIALTY PHYSICIANS.</p> <p>THE SECOND PACE LOCATION. A SECOND LOCATION FOR THE PACE PROGRAM OPERATED BY SENTARA LIFE CARE CORPORATION, SENTARA'S LONG-TERM CARE DIVISION, OPENED IN PORTSMOUTH, VIRGINIA IN MARCH 2010. PACE, OR PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY, IS AN ADULT DAY CARE PROGRAM THAT IS A NURSING HOME ALTERNATIVE. THE FIRST OF ITS KIND IN VIRGINIA, THE PROGRAM IS A PREPAID HEALTH PLAN THAT PROVIDES TOTAL CARE FOR PARTICIPANTS, INCLUDING COMPREHENSIVE MEDICAL AND REHABILITATIVE SERVICES, IN-HOME SERVICES AND TRANSPORTATION.</p> <p>THE SENTARA QUALITY & PATIENT SAFETY DISTINCTIONS. A MEASURING QUALITY HEALTHCARE SINCE OUR HEALTH SYSTEM'S EARLIEST YEARS, WE HAVE BELIEVED THE COMMUNITY DESERVES HEALTHCARE THAT IS MEASURABLY BETTER. SENTARA'S GOAL IS TO BE ACCREDITED BY RESPECTED NATIONAL ORGANIZATIONS AND TO ACHIEVE TOP 10 PERCENT PERFORMANCE WHEREVER BENCHMARKS EXIST. WE ARE PROUD OF THE WORK WE HAVE DONE SO FAR TOWARD THIS GOAL, AS IT HAS BEEN RECOGNIZED IN MANY WAYS.</p> <p>THE TOP 100 INTEGRATED HEALTHCARE NETWORK. SENTARA HAS CONSISTENTLY RANKED AMONG THE NATION'S TOP INTEGRATED HEALTHCARE NETWORKS AS PUBLISHED IN MODERN HEALTHCARE'S FACT-BASED RANKING. THE ONLY HEALTHCARE SYSTEM IN THE COUNTRY TO BE AMONG THE NATION'S TOP 10 FOR ALL 15 YEARS OF THE SURVEY, SENTARA LANDED AT NUMBER ONE IN 2001, 2010 AND 2011. THE STUDY, PUBLISHED ANNUALLY, HIGHLIGHTS THE TOP 100 INTEGRATED HEALTH CARE NETWORKS A CROSS THE NATION AS SELECTED BY SDI, A HEALTH INFORMATION COMPANY.</p>

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		<p>2 USING TECHNOLOGY TO IMPROVE CARE SENTARA NORFOLK GENERAL HOSPITAL WAS NAMED AS ONE OF THE NATION'S MOST WIRED HOSPITALS DURING 2010, ACCORDING TO THE RESULTS OF THE 2010 MOST WIRED SURVEY AND BENCHMARKING STUDY THE "MOST WIRED" HOSPITALS USE COMPUTERS TO ENABLE PHYSICIANS TO CHECK OR ORDER PATIENT TESTS AND ENTER MEDICATION ORDERS ELECTRONICALLY, AND TO ENABLE PATIENTS TO PAY BILLS VIA COMPUTER AMONG THE REASONS SENTARA NORFOLK GENERAL HOSPITAL WAS INCLUDED ON THE LIST WAS ITS INVESTMENT IN THE ELECTRONIC MEDICAL RECORD SYSTEM, SENTARA ECARE IN 2010, SENTARA HEALTHCARE WAS ALSO HONORED AS A RECIPIENT OF THE 2010 HIMMS (HEALTHCARE INFORMATION AND MANAGEMENT SYSTEMS SOCIETY) DAVIES AWARD HIMMS ANALYTICS, A COMPANY THAT COLLECTS AND ANALYZES HEALTHCARE DATA, RECOGNIZES HEALTHCARE ORGANIZATIONS FOR SUCCESSFUL IMPLEMENTATION OF HEALTH INFORMATION TECHNOLOGY SYSTEMS SENTARA HEALTHCARE WAS HONORED WITH ITS STAGE 7 AWARD, A NATIONAL RECOGNITION WHICH REPRESENTS ATTAINMENT OF THE HIGHEST LEVEL OF ELECTRONIC MEDICAL RECORD ADOPTION MODEL-SM (EMRAM) WITH THIS AWARD, SENTARA JOINED A SELECT GROUP OF HEALTH SYSTEMS ACROSS THE COUNTRY TO HAVE ATTAINED THIS LEVEL OF ELECTRONIC MEDICAL RECORD IMPLEMENTATION</p> <p>3 AWARD-WINNING CARDIAC AND UROLOGY CARE SENTARA HEART HOSPITAL/SENTARA NORFOLK GENERAL HOSPITAL IS A COMPREHENSIVE NETWORK OF PROVIDERS, FACILITIES AND SERVICES WORKING TOGETHER TO ENSURE THE HIGHEST LEVEL OF CARE FOR THE 13TH YEAR, THE HOSPITAL RANKED AMONG THE NATION'S BEST HEART PROGRAMS IN U.S. NEWS & WORLD REPORT'S 2012-2013 BEST HOSPITALS ISSUE LISTED 49TH IN THE HEART CARE RANKINGS, SENTARA POSTS A MORTALITY SCORE THAT IS BETTER THAN FIVE OF THE TOP 10 PROGRAMS ON THE LIST SENTARA REMAINS THE ONLY HEART PROGRAM IN THE REGION AND ONLY ONE OF THREE HOSPITALS IN VIRGINIA TO BE RANKED BY U.S. NEWS & WORLD REPORT OUR UROLOGY PROGRAM WAS ALSO RECOGNIZED IN THE 2012-2013 LISTINGS IN THE 47TH RANKING</p> <p>4 OUTSTANDING CANCER CARE THE SENTARA CANCER NETWORK WAS AWARDED AN OUTSTANDING ACHIEVEMENT AWARD AND ACCREDITATION FOR 2009 FROM THE AMERICAN COLLEGE OF SURGEONS COMMISSION ON CANCER ONLY 18 PERCENT OF 432 PROGRAMS SURVEYED DURING THE YEAR RECEIVED OUTSTANDING ACHIEVEMENT AWARDS-BASED ON FACTORS SUCH AS LEADERSHIP, RESEARCH AND QUALITY IMPROVEMENT THE ACCREDITED PORTION INCLUDED SENTARA NORFOLK GENERAL HOSPITAL, SENTARA VIRGINIA BEACH GENERAL HOSPITAL, SENTARA CAREPLEX HOSPITAL AND SENTARA WILLIAMSBURG REGIONAL MEDICAL CENTER SENTARA LEIGH HOSPITAL WAS ADDED IN 2010 SENTARA POTOMAC HOSPITAL EARNED AN OUTSTANDING ACHIEVEMENT AWARD UNDER THE CATEGORY OF COMMUNITY HOSPITAL CANCER PROGRAMS THE SENTARA CANCER NETWORK AND SENTARA POTOMAC HOSPITAL WERE THE ONLY CANCER PROGRAMS IN VIRGINIA TO EARN OUTSTANDING ACHIEVEMENT AWARDS FOR 2009</p> <p>5 COMPREHENSIVE BREAST HEALTH SERVICES SENTARA IS HOME TO SIX BREAST CENTERS ACCREDITED BY THE NATIONAL ACCREDITATION PROGRAM FOR BREAST CENTERS, FOLLOWING THE ACCREDITATION OF THREE IN 2011 TO GAIN ACCREDITATION, THE CENTERS MUST FOLLOW A MULTIDISCIPLINARY TEAM APPROACH, PROVIDE ACCESS TO CLINICAL TRIAL INFORMATION, AND OFFER NEW TREATMENT OPTIONS, ALONG WITH OTHER REQUIREMENTS THE BREAST CENTERS ARE ALSO AMONG THE ELITE GROUP DESIGNATED AS AN AMERICAN COLLEGE OF RADIOLOGY BREAST IMAGING CENTER OF EXCELLENCE AFTER RIGOROUS EVALUATION OF STAFF, EQUIPMENT, PHYSICIAN CREDENTIALS, TECHNIQUE AND IMAGE QUALITY, THE CENTERS ARE NOW FULLY ACCREDITED IN THE THREE MAJOR AREAS OF BREAST IMAGING AND CANCER DETECTION, MAMMOGRAPHY, STEREOTACTIC BREAST BIOPSY AND ULTRASOUND-GUIDED BIOPSY</p> <p>6 WEIGHT LOSS SURGERY EXCELLENCE AFTER A DETAILED REVIEW OF CLINICAL QUALITY AND SAFETY, SURGICAL OUTCOMES, AND OVERALL PERFORMANCE, WEIGHT LOSS SURGERY PROGRAMS AT SENTARA CAREPLEX HOSPITAL, SENTARA NORFOLK GENERAL HOSPITAL AND SENTARA POTOMAC HOSPITAL HAVE RECEIVED DESIGNATION AS A WEIGHT LOSS SURGERY CENTER OF EXCELLENCE BY THE AMERICAN SOCIETY OF METABOLIC AND BARIATRIC SURGERY</p> <p>7 CLINICAL EXCELLENCE SENTARA BAYSIDE HOSPITAL WAS AWARDED A VOLUNTARY HOSPITALS OF AMERICA 2009 LEADERSHIP AWARD FOR CLINICAL EXCELLENCE FOR ACHIEVING A HIGH LEVEL OF PERFORMANCE IN ACUTE MYOCARDIAL INFARCTION, HEART FAILURE, PNEUMONIA AND SURGICAL CARE IMPROVEMENT PROGRAM CLINICAL QUALITY INDICATORS AS MEASURED BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES AND THE JOINT COMMISSION</p> <p>8 GOLD SEALS OF APPROVAL AND DNVHC ACCREDITATION THE JOINT COMMISSION ON ACCREDITATION OF HEALTHCARE ORGANIZATIONS HAS GIVEN SEVERAL OF OUR HOSPITALS ITS GOLD SEAL OF APPROVAL AND DISEASE SPECIFIC CARE CERTIFICATION SENTARA NORFOLK GENERAL HOSPITAL EARNED VASCULAR CERTIFICATION SENTARA NORFOLK GENERAL HOSPITAL, SENTARA LEIGH HOSPITAL, SENTARA VIRGINIA BEACH GENERAL HOSPITAL, SENTARA CAREPLEX HOSPITAL, SENTARA OBICI HOSPITAL AND SENTARA PRINCESS ANNE HOSPITAL ALL EARNED PRIMARY STROKE CERTIFICATION WILLIAMSBURG REGIONAL MEDICAL CENTER WAS ALSO ACCREDITED BY THE DNVHC (DET NORSKE VERITAS HEALTHCARE, INC.) IN 2011 AS A CERTIFIED PRIMARY</p>

Identifier	Return Reference	Explanation
		<p>STROKE CENTER BASED ON ITS CONTINUAL INTEGRATION OF QUALITY STANDARDS FOR MANAGEMENT OF STROKE PATIENTS THE JOINT COMMISSION RECOGNIZED SENTARA VIRGINIA BEACH GENERAL HOSPITAL FOR HEART FAILURE AND ACUTE MYOCARDIAL INFARCTION CARE. IN 2011, THE HOSPITAL ALSO RECEIVED FULL ACCREDITATION FROM THE SOCIETY OF CHEST PAIN CENTERS AS AN ACCREDITED CHEST PAIN CENTER WITH PCI, (PERCUTANEOUS CORONARY INTERVENTION, ALSO KNOWN AS ANGIOPLASTY) 9 HMC TOP QUALITY AWARD THE HEALTHCARE MANAGEMENT COUNCIL (HMC) ISSUED ITS FIRST TOP QUALITY AWARDS AMONG ITS MEMBER HOSPITALS IN 2010 HMC CLIENT HOSPITALS WORK AGAINST A COMPLEX MATRIX OF PERFORMANCE BENCHMARKS TO IMPROVE CLINICAL OUTCOMES, SAFETY, QUALITY, AND FINANCIALS ONLY SEVEN HOSPITALS RECEIVED PERFORMANCE AWARDS IN 2010 SENTARA LEIGH HOSPITAL WAS AMONG THE HONORABLE MENTIONS AND SENTARA WILLIAMSBURG REGIONAL MEDICAL CENTER WAS LISTED IN THE "MOST IMPROVED" CATEGORY 10 QUALITY SENIOR CARE SENTARA LIFE CARE WAS AWARDED A BRONZE 2010 NATIONAL QUALITY AWARD FROM THE AMERICAN HEALTH CARE ASSOCIATION AND THE NATIONAL CENTER FOR ASSISTED LIVING A BRONZE AWARD RECOGNIZES LONG TERM CARE PROGRAMS THAT HAVE MADE A SYSTEMATIC COMMITMENT TO QUALITY IMPROVEMENT AND DESIGNED WAYS TO MEASURE PROGRESS 11 QUALITY ASSURANCE AWARD VIRGINIA BEACH FAMILY PRACTICE PREVIOUSLY EARNED RECOGNITION BY THE NATIONAL COMMITTEE ON QUALITY ASSURANCE (NCQA) AS A PATIENT-CENTERED MEDICAL HOME-LEVEL III, UNDER NCQA'S PHYSICIAN PRACTICE CONNECTIONS PROGRAM A SECOND PRACTICE, SENTARA INTERNAL MEDICINE PHYSICIANS, EARNED THE ACCREDITATION AS WELL IN 2011 12 HOME HEALTH QUALITY IMPROVEMENT/CENTERS FOR MEDICARE AND MEDICAID GOLD AWARD SENTARA HOME CARE WAS ONE OF THE FIRST PARTICIPANTS IN THE HOME HEALTH QUALITY IMPROVEMENT (HHQI) NATIONAL CAMPAIGN, CREATED BY THE CENTERS FOR MEDICARE AND MEDICAID (CMS) TO INSPIRE AND PROMOTE QUALITY OUTCOMES FOR HOME HEALTH PATIENTS UTILIZING BEST PRACTICE PROTOCOLS IN REDUCING USE OF EMERGENCY ROOM CARE AND EARLY IDENTIFICATION AND INTERVENTION TO SUPPORT PATIENT AMBULATORY NEEDS HAS NOW GARNERED SENTARA HOME CARE SERVICES THE CMS TOP 10% RATING IN THIS NATIONAL CAMPAIGN AND RECEIPT OF THE GOLD AWARD DESIGNATION 13 COMMUNITY HEALTH ACCREDITATION SENTARA HOME CARE RECEIVED NATIONAL ACCREDITATION THROUGH THE COMMUNITY HEALTH ACCREDITATION PROGRAM (CHAP) IN JULY 2011 CHAP IS AN INDEPENDENT ACCREDITING BODY DESIGNED TO INSPIRE COMMUNITY HEALTH CARE ORGANIZATIONS TO ACHIEVE ORGANIZATIONAL EXCELLENCE AND COMPLIANCE WITH STATE AND FEDERAL REGULATIONS THE RIGOROUS PROCESS INCLUDED A WEEK-LONG SURVEY OF HOME HEALTH, HOSPICE, HOME INFUSION, HOME MEDICAL EQUIPMENT AND HOME RESPIRATORY CARE SERVICES IN ADDITION TO MEETING WITH PATIENTS AND STAFF TO ASSESS QUALITY OF CARE 14 SLEEP CENTER ACCREDITATION THE SLEEP CENTER AT SENTARA BELLEHARBOUR GAINED NATIONAL ACCREDITATION THROUGH THE AMERICAN ACADEMY OF SLEEP MEDICINE (AASM) IN JUNE 2011 ONLY SLEEP CENTERS MEETING STRINGENT PERFORMANCE AND QUALITY STANDARDS ARE HONORED WITH ACCREDITATION THE COMPREHENSIVE, YEAR-LONG REVIEW PROCESS INCLUDES EVALUATION OF CLINICAL QUALITY, PROCEDURE STANDARDS AND STAFFING REQUIREMENTS THE ACCREDITATION PROCESS INCLUDES AN ON-SITE INSPECTION BY AN AASM REPRESENTATIVE AND EVALUATES ALL ASPECTS OF THE SLEEP DISORDER DIAGNOSIS AND TREATMENT, AND THE CENTER'S STAFF AND PHYSICIANS' QUALIFICATIONS 15 DISABILITY EMPLOYMENT CHAMPION THE VIRGINIA DEPARTMENT OF REHABILITATIVE SERVICES AWARDED SENTARA CAREPLEX HOSPITAL WITH A 2010 "DISABILITY EMPLOYMENT CHAMPION" AWARD FOR OUR PARTICIPATION IN VIRGINIA'S FIRST "PROJECT SEARCH" THE PROGRAM PUTS RECENT HIGH SCHOOL GRADUATES WITH DISABILITIES INTO TRAINING AND MENTORING PROGRAMS THAT CAN LEAD TO FULL-TIME EMPLOYMENT</p>

Identifier	Return Reference	Explanation
		<p>16 SUPPORTING CAREER AND TECHNICAL EDUCATION THE VIRGINIA DEPARTMENT OF EDUCATION CHOSE SENTARA OBICI HOSPITAL AS A REGIONAL WINNER OF ITS 2009 "CREATING EXCELLENCE" AWARD FOR OUR SUPPORT OF CAREER AND TECHNICAL EDUCATION OBICI HAS WORKED WITH THE SUFFOLK SCHOOLS FOR FOUR YEARS, PROVIDING STUDENTS IN THE "INTRODUCTION TO HEALTH OCCUPATIONS" CURRICULUM WITH REAL-WORLD EXPOSURE TO HEALTH CAREERS, INCLUDING A MEDICAL CAMP FOR MORE THAN 100 STUDENTS</p> <p>17 AWARD FOR EMPLOYEE WELLNESS PROGRAM OPTIMA HEALTH AND SENTARA HEALTHCARE WON THE CASE IN POINT PLATINUM AWARD IN THE WELLNESS/PREVENTION CATEGORY IN 2011 FOR OUR PARTNERSHIP IN DEVELOPING SENTARA'S INCENTIVE-BASED EMPLOYEE WELLNESS PROGRAM, MISSION HEALTH, WHICH THAT SAVED THE ORGANIZATION \$3.4 MILLION DOLLARS IN ITS FIRST THREE YEARS THE CASE IN POINT PLATINUM AWARDS RECOGNIZE THE MOST SUCCESSFUL AND INNOVATIVE CASE MANAGEMENT PROGRAMS WORKING TO IMPROVE HEALTHCARE WINNERS WERE RECOGNIZED FOR THEIR INNOVATIVE WORK IN ENSURING THAT INDIVIDUALS RECEIVE SAFE, QUALITY, AND EFFECTIVE HEALTHCARE IN THE LEAST RESTRICTIVE SETTING AND IN A COST-EFFECTIVE MANNER MISSION HEALTH ALSO RECEIVED A 2011 C. EVERETT KOOP NATIONAL HEALTH AWARD HONORABLE MENTION</p> <p>18 CIO AWARD FOR EXCELLENCE IN IT SENTARA RECEIVED A PRESTIGIOUS CIO 100 AWARD IN 2009 FROM CIO MAGAZINE THE ANNUAL AWARD PROGRAM RECOGNIZES ORGANIZATIONS AROUND THE WORLD THAT EXEMPLIFY THE HIGHEST LEVEL OF OPERATIONAL AND STRATEGIC EXCELLENCE IN INFORMATION TECHNOLOGY SENTARA BEGAN ITS HOSPITAL IMPLEMENTATION OF SENTARA ECARE IN 2008 SENTARA POTOMAC HOSPITAL IMPLEMENTED ECARE IN THE FALL OF 2011 IN OUR HOSPITAL SETTINGS, WE ARE EXPERIENCING PHYSICIAN ORDER ENTRY RATES THAT EXCEED THE NATIONAL AVERAGE ADDITIONALLY, THE LENGTH OF TIME FROM DRUGS BEING ORDERED BY A PHYSICIAN TO ADMINISTRATION TO THE PATIENT HAS BEEN REDUCED DRAMATICALLY SENTARA ECARE IS ALSO THE REASON WE WERE RANKED 21ST ON THE 2009 INFORMATIONWEEK 500 BY INFORMATIONWEEK, A BUSINESS PUBLICATION THAT IDENTIFIES AND HONORS THE NATION'S MOST INNOVATIVE USERS OF INFORMATION TECHNOLOGY</p> <p>19 EXCELLENCE IN ACTION AWARDS MY ININTERVIEW, A DIVISION OF NATIONAL RESEARCH CORPORATION, RECOGNIZED TWO SENTARA NURSING CENTERS WITH EXCELLENCE IN ACTION AWARDS FOR 2010-2011 FOR THEIR SUCCESS IN CUSTOMER AND WORKFORCE SATISFACTION SENTARA WINDERMERE IN VIRGINIA BEACH RECEIVED ONE AWARD FOR CUSTOMER SATISFACTION SENTARA NURSING CENTER PORTS MOUTH RECEIVED TWO AWARDS FOR CUSTOMER AND WORKFORCE SATISFACTION IN SURVEYS CONDUCTED DURING 2010 OF 5,500 QUALIFYING NURSING HOMES, 593 AROUND THE COUNTRY AND ONLY FIVE IN VIRGINIA RECEIVED EXCELLENCE IN ACTION AWARDS</p> <p>20 PATIENT SAFETY OUR FOCUS GOES BEYOND THE BASICS OF MAKING HEALTHCARE SAFE FOR OUR PATIENTS SENTARA HAS BUILT A STRONG "CULTURE OF SAFETY" TO REDUCE MEDICAL ERRORS BY MODELING SUCCESSFUL PROGRAMS FROM THE NUCLEAR POWER AND AVIATION INDUSTRIES THIS CULTURE OF SAFETY PROMOTES BEHAVIORS THAT RESULT IN SAFE, RELIABLE AND EFFECTIVE CARE THE FOUNDATION OF THIS CULTURE IS A STRONG ACCOUNTABILITY TO PERFORM REGIMENTED BEHAVIORS THAT REDUCE MEDICAL ERRORS OUR STAFF USES GUIDELINES KNOWN AS "BEHAVIOR BASED EXPECTATIONS" OR BBES TO ENSURE THE HIGHEST STANDARD OF CARE THE GOAL IS TO MAKE THESE TOOLS AND TECHNIQUES A HABIT FOR OUR DEDICATION, WE HAVE RECEIVED NUMEROUS AWARDS FOR PATIENT SAFETY AND QUALITY OF CARE STANDARDS</p> <p>21 THE LEAPFROG HOSPITAL SURVEY THE LEAPFROG HOSPITAL RECOGNITION PROGRAM (LHRP) HONORS HOSPITALS THAT DEMONSTRATE EXCELLENCE OR IMPROVEMENT IN PATIENT SAFETY, QUALITY, AND RESOURCE UTILIZATION THE LHRP RECOGNIZED SENTARA CAREPLEX HOSPITAL, SENTARA LEIGH HOSPITAL, SENTARA BAYSIDE HOSPITAL, AND SENTARA WILLIAMSBURG REGIONAL MEDICAL CENTER FOR TOP-LEVEL PERFORMANCE DURING 2010</p> <p>22 INFECTION PREVENTION PREVENTION OF HEALTH CARE-ASSOCIATED INFECTIONS IS A NATIONAL CONCERN, AND SENTARA CONTINUALLY STRIVES TO REDUCE THESE CASES ALL OF OUR HOSPITALS HAVE BEEN WORKING DILIGENTLY TO REDUCE THE OCCURRENCE OF VENTILATOR-ASSOCIATED PNEUMONIA (VAP), WHICH CAN DEVELOP IN PATIENTS WHO HAVE BEEN ON MECHANICAL VENTILATION FOR 48 HOURS OR MORE IN 2011, SENTARA WILLIAMSBURG REGIONAL MEDICAL CENTER MARKED SEVEN CONSECUTIVE YEARS WITH ZERO CASES OF VAP VOLUNTARY HOSPITALS OF AMERICA (VHA), A VOLUNTARY NATIONAL ORGANIZATION FOCUSED ON HEALTH CARE FINANCIAL PERFORMANCE THROUGH CLINICAL EXCELLENCE AND SUPPLY CHAIN MANAGEMENT, "BLUEPRINTED" THE PRACTICES AT SENTARA WILLIAMSBURG REGIONAL MEDICAL CENTER AS A MODEL FOR HOSPITALS ACROSS THE COUNTRY ADDITIONALLY, CENTRAL LINE BLOODSTREAM INFECTIONS HAVE BEEN SHARPLY REDUCED SENTARA BAYSIDE HOSPITAL IS ONE OF ONLY FIVE HOSPITALS IN VIRGINIA AND MENTIONED IN CONSUMER REPORTS MAGAZINE FOR BEING AMONG THE BEST IN THE COUNTRY FOR PROTECTING PATIENTS IN THE INTENSIVE CARE UNIT AGAINST LIFE-THREATENING CENTRAL LINE BLOODSTREAM INFECTIONS</p> <p>23 IMPROVING PATIENT SAFETY THROUGH TECHNOLOGY SENTARA HEALTHCARE PROVIDES THE SENTARA ECARE HEALTH NETWORK THE CLINICAL SYSTEM USES IN</p>

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		<p>NOVATIVE TECHNOLOGY TO LINK PATIENT MEDICAL INFORMATION BETWEEN OUR HOSPITALS, PHYSICIAN PRACTICES AND OTHER HEALTH CARE SITES OVER A PROTECTED NETWORK, ENABLING THE SECURE SHARING OF PATIENT INFORMATION, INCREASING PATIENT SAFETY AND REDUCING PREVENTABLE MEDICAL ERRORS</p> <p>MY CARE, THE COMPONENT OF ECARE THAT ALLOWS PATIENTS TO ACCESS PART OF THEIR MEDICAL RECORDS, WAS PROMOTED TO PATIENTS IN 2011. A PHONE APP WAS CREATED TO PROVIDE EASY ACCESS AS WELL.</p> <p>2011 MARKED THE 11TH YEAR THAT WE EMPLOYED OUR EICU REMOTE MONITORING SYSTEM FOR OUR SICKEST HOSPITAL PATIENTS. SENTARA WAS THE FIRST HOSPITAL SYSTEM IN THE COUNTRY TO IMPLEMENT THE EICU SYSTEM, WHICH USES A NETWORK OF CAMERAS, MONITORS, ALERTS, AND TWO-WAY COMMUNICATION LINKS. DOCTORS AND CRITICAL CARE NURSES AT THE EICU COMMAND CENTER MAKE VIRTUAL ROUNDS ON ICU PATIENTS. THIS SENTARA-PIONEERED TECHNOLOGY IS NOW USED TO HELP CARE FOR PATIENTS IN NEARLY 5,000 ICU BEDS NATIONALLY.</p> <p>ANOTHER SAFETY INITIATIVE ADOPTED BY SENTARA IS BEDSIDE MEDICATION VERIFICATION, INCLUDING BAR-CODING TECHNOLOGY. NATIONAL STUDIES HAVE FOUND THAT BEDSIDE VERIFICATION CAN REDUCE HOSPITAL MEDICATION ERRORS BY NEARLY 70 PERCENT. ALSO IN 2011, SENTARA WAS RECOGNIZED BY THE VIRGINIA HEART ATTACK COALITION FOR OUR EFFORTS IN WORKING WITH AREA EMS UNITS TO LAUNCH LIFENET, WHICH TRANSMITS VITAL, POTENTIALLY LIFE-SAVING PATIENT INFORMATION WHEN A HEART ATTACK IS SUSPECTED BY AN EMS TECHNICIAN.</p> <p>VI. COMMITMENT TO THE COMMUNITY. AS A NOT-FOR-PROFIT HEALTHCARE ORGANIZATION, WE CONTINUOUSLY REINVEST IN THE COMMUNITY-BY PURCHASING THE MOST MEDICALLY ADVANCED TECHNOLOGY, BUILDING NEW, STATE-OF-THE-ART HEALTHCARE FACILITIES, TRAINING MEDICAL PROFESSIONALS, AND PROVIDING THE HIGHEST QUALITY HEALTHCARE TO ALL PATIENTS, REGARDLESS OF THEIR ABILITY TO PAY. IT'S NOT JUST OUR MISSION, IT'S OUR COMMITMENT TO THE COMMUNITY.</p> <p>SENTARA OBICU HOSPITAL WAS AWARDED A NATIONAL JACKSON HEALTHCARE CHARITABLE SERVICE AWARD IN 2011 FOR ITS COMMUNITY OUTREACH PROGRAM THAT OFFERS CHRONIC DISEASE MANAGEMENT FOR PEOPLE LIVING AT 200 PERCENT OF THE POVERTY LEVEL WHO HAVE CONGESTIVE HEART FAILURE, DIABETES OR BOTH DISEASES. THE SENTARA OBICU HOSPITAL COMMUNITY HEALTH OUTREACH PROGRAM WAS ONE OF 10 HOSPITAL PROGRAMS THAT RECEIVED A \$10,000 CHECK IN SUPPORT OF THE PROGRAM'S ONGOING SERVICE. HERE ARE SOME OF THE OTHER WAYS WE'VE INVESTED IN THE PEOPLE WE SERVE.</p> <p>A. THE SENTARA HEALTH FOUNDATION. WE ESTABLISHED THE SENTARA HEALTH FOUNDATION IN 1998 TO IMPROVE HEALTH AND QUALITY OF LIFE THROUGHOUT SOUTH EASTERN VIRGINIA AND NORTH CAROLINA, AND TO DEMONSTRATE OUR NOT-FOR-PROFIT MISSION. THE FOUNDATION HAS TOUCHED THE LIVES OF MANY VIRGINIA RESIDENTS FROM THE EASTERN SHORE TO GREATER HAMPTON ROADS THROUGH GRANTS SUPPORTING COMMUNITY HEALTH PROGRAMS. SPECIFICALLY, IT HAS AWARDED NEARLY \$9 MILLION IN GRANTS (\$709,200 IN 2011). PROGRAMS INCLUDE MOBILE DENTAL CARE, PRENATAL SUPPORT, MEDICATION ASSISTANCE AND REDUCED-COST PRIMARY CARE. THE FOUNDATION ALSO SPONSORS COMMUNITY EVENTS, SUCH AS THE SUSAN G. KOMENI DEWATER RACE FOR THE CURE, THE AMERICAN HEART ASSOCIATION HEART GALA AND HEART WALK AND THE AMERICAN CANCER SOCIETY RELAY FOR LIFE.</p> <p>B. IN SUPPORT OF THE COMMUNITY. LED BY A VOLUNTEER COMMUNITY BOARD OF DIRECTORS, SENTARA PROUDLY PROVIDES CARE TO ALL, AND REINVESTS IN THE COMMUNITY IN NUMEROUS WAYS.</p> <p>1. CONTRIBUTIONS. EACH YEAR, WE PROVIDE MILLIONS OF DOLLARS IN BENEFITS TO THE COMMUNITY. IN 2011, SENTARA REINVESTED \$214,486,000 INTO COMMUNITIES, NOT INCLUDING COMMUNITY BENEFITS PROVIDED IN THE BLUE RIDGE REGION BY OUR HOSPITALS. MARTHA JEFFERSON HOSPITAL AND RMH HEALTHCARE. THAT EQUALS MORE THAN \$587,500 EACH DAY.</p>

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		<p>SENTARA INVESTED \$15,360,000 IN HEALTH CARE TEACHING PROGRAMS TO ENSURE A QUALIFIED POOL OF PHYSICIANS AND NURSES. WE ALSO SPENT \$15,892,000 TO SUPPORT LOCAL COMMUNITY PROGRAMS THAT PROVIDED HEALTH EVENTS AND HEALTH SCREENINGS TO MORE THAN 39,000 INDIVIDUALS. IN ADDITION, SENTARA EMPLOYEES DONATED TO THE UNITED WAY TO THE TUNE OF OVER \$1 MILLION IN 2011. NUMEROUS EMPLOYEES ALSO VOLUNTEER AT UNITED WAY AGENCIES FOR THE ANNUAL DAY OF CARING. OUR SENTARA POTOMAC HOSPITAL PROVIDED \$22,502,000 IN COMMUNITY BENEFITS IN NORTHERN VIRGINIA IN 2011. OF THAT TOTAL, \$22,444,000 COVERED UNCOMPENSATED PATIENT CARE COSTS. RMH HEALTHCARE INVESTED OVER \$32 MILLION IN 2011, \$30 MILLION OF WHICH COVERED UNCOMPENSATED CARE TO THOSE IN NEED. IN 2011, MARTHA JEFFERSON HOSPITAL PROVIDED COMMUNITY BENEFITS TOTALING OVER \$1.3 MILLION, THE MAJORITY OF WHICH WAS IN THE FORM OF UNCOMPENSATED CARE TO THOSE IN NEED.</p> <p>2. MEDICALLY UNDERSERVED SENTARA MEDICAL GROUP'S PHYSICIANS AND MEDICAL STAFF VOLUNTEER THOUSANDS OF HOURS TO EASTERN VIRGINIA MEDICAL SCHOOL (EVMS), FREE CLINICS, COMMUNITY EDUCATION AND CIVIC AND CHARITABLE PROGRAMS. WE SUPPORT AND OPERATE UNCOMPENSATED CARE CLINICS THROUGHOUT THE REGION, INCLUDING THE SENTARA AMBULATORY CARE CENTER (ACC). THE ACC IS A COLLABORATIVE EFFORT WITH EVMS AND IS LOCATED NEAR SENTARA NORFOLK GENERAL HOSPITAL. IT FEATURES AN APPOINTED SIDE, WHICH FUNCTIONS LIKE A DOCTOR'S OFFICE AND A SAME-DAY "WALK-IN" SERVICE SIDE FOR MORE PRESSING AND IMMEDIATE HEALTH CONCERNS.</p> <p>C. IN SUPPORT OF EDUCATION AS PART OF OUR COMMITMENT TO PROVIDE THE LATEST IN HEALTH INFORMATION, SENTARA PRODUCES EXPLORE HEALTH WITH SENTARA, AN EDUCATIONAL PROGRAM THAT PRESENTS MEDICAL BREAKTHROUGHS, INNOVATIVE TREATMENT OPTIONS, AND CONTEMPORARY HEALTH ISSUES.</p> <p>D. IN SUPPORT OF COMMUNITY HEALTH INITIATIVES</p> <p>1. SENTARA COMMUNITY HEALTH AND PREVENTION AS PART OF SENTARA'S COMMITMENT TO PREVENTIVE HEALTH MEASURES, WE SPONSOR AND HOST SPECIAL COMMUNITY INITIATIVES THAT ARE DESIGNED TO EDUCATE THE COMMUNITY ABOUT HEALTH. OUR CAMPAIGNS INCLUDE -NATIONAL DRUG TAKE BACK DAY -DRIVE-THRU FLU SHOTS - WOMEN'S DAY HEALTH FAIR -WEBINARS FOR WEIGHT LOSS SURGERY -PAIN T FACEBOOK PINK TO RAISE AWARENESS FOR BREAST HEALTH -TEXT OUTREACH TO PREGNANT WOMEN -EATING FOR LIFE, AN AWARD-WINNING NUTRITION AND HEALTHY EATING PROGRAM -KNOW YOUR NUMBERS, A CARDIOVASCULAR RISK REDUCTION AND HEALTH IMPROVEMENT PROGRAM -WALK-ABOUT WITH HEALTHY EDGE, A WALKING PROGRAM THAT ENCOURAGES WALKING FOR CARDIOVASCULAR HEALTH -GET OFF YOUR BUTT STAY SMOKELESS FOR LIFE, A SMOKING CESSATION PROGRAM -HEALTHY HEART PROGRAM, A CARDIOVASCULAR DISEASE REDUCTION PROGRAM -SENTARA LIVING, A COMPREHENSIVE WELLNESS PROGRAM FOR SENIORS -SENTARA'S MOBILE MAMMOGRAPHY UNIT VISITS NUMEROUS WORK SITES EVERY YEAR TO ENCOURAGE WELLNESS -CAMP LIGHTHOUSE, A GRIEF CAMP FOR KIDS AGES 5-16 WHO HAVE EXPERIENCED THE DEATH OF A LOVED ONE</p> <p>2. TOBACCO-FREE ENVIRONMENTS HOSPITALS SEE THE EFFECTS OF TOBACCO EVERY DAY IN HEART DISEASE, RESPIRATORY ILLNESS AND CANCERS. IN RESPONSE, SENTARA HAS IMPLEMENTED OUR TOBACCO-FREE ENVIRONMENT (TFE) CAMPAIGN. NO ONE IS ALLOWED TO SMOKE, CHEW OR DIP ANYWHERE ON CAMPUS, NOT EVEN IN CARS. THE GOAL IS NOT JUST TO AVOID THE AESTHETIC AND HEALTH ISSUES OF SECOND-HAND SMOKE, BUT TO PUT SENTARA'S MISSION INTO PRACTICE BY HELPING STAFF, PATIENTS AND VISITORS QUIT THIS HABIT. AS OF 2011, ALL OF OUR FACILITIES HAVE ADOPTED THE TOBACCO FREE ENVIRONMENT INITIATIVES. WE HAVE EARNED THE AMERICAN CANCER SOCIETY "EXCELLENCE IN THE WORKPLACE TOBACCO CONTROL" AWARD FOR OUR EFFORTS.</p> <p>VII. OPTIMA HEALTH PLAN A. IMPROVING HEALTH OPERATING WITH THE SAME MISSION IN MIND -- TO IMPROVE HEALTH EVERY DAY --IS OUR HEALTH PLAN, OPTIMA HEALTH. WITH MORE THAN 25 YEARS OF HEALTH INSURANCE EXPERIENCE, OPTIMA HEALTH PROVIDES HEALTH PLAN COVERAGE TO MORE THAN 440,000 MEMBERS THROUGHOUT THE STATE, HAVING EXTENDED COVERAGE TO SOUTHWEST VIRGINIA IN 2011. OUR QUALITY PROVIDER NETWORK FEATURES MORE THAN 15,000 PROVIDERS INCLUDING SPECIALISTS, PRIMARY CARE PHYSICIANS AND HOSPITALS.</p> <p>B. SUPPORTING THE COMMUNITY OPTIMA HEALTH PROVIDES MORE THAN INSURANCE FOR OUR COMMUNITIES, WE REACH OUT THROUGH HEALTH SCREENINGS, EVENTS, EDUCATION MATERIALS AND IMMUNIZATIONS. OUR HIGHLIGHTS INCLUDED -HEALTH IMPROVEMENT EVENTS TOTALLED 1,866 EVENTS WITH 39,049 PARTICIPANTS IN 2011. THESE EVENTS WERE OFFERED TO CHURCHES, EMPLOYER GROUPS INCLUDING SENTARA HEALTHCARE EMPLOYEES, COMMUNITY HEALTH CENTERS AND OTHER COMMUNITY LOCATIONS. -POCKET EKG SCREENED 621 PARTICIPANTS IN 2011. 565 (90%) OF THOSE PARTICIPANTS WERE IDENTIFIED WITH CARDIOVASCULAR HEALTH RISKS. -EATING FOR LIFE, WALKABOUT WITH HEALTHY EDGE, HEALTHY HEART, GUIDED IMAGERY AND YOGA, OUR CARDIOVASCULAR DISEASE RISK REDUCTION PROGRAMS, INCREASED PARTICIPATION BY 12 PERCENT OVER 2010. -SELF CARE MANUALS WERE DISTRIBUTED TO HEALTH PLAN MEMBERS AND COMMUNITY ORGANIZATIONS. 14,399 WENT OUT IN 2011. - PREVENTIVE BIRTHDAY CARD REMINDERS FOR PREVENTIVE HEALTH SCREENINGS DELIVERED ME</p>

Identifier	Return Reference	Explanation
		<p> SSAGES TO 267,692 ADULT HEALTH PLAN MEMBERS PREVENTIVE BIRTHDAY CARD REMINDERS FOR CHILDREN DELIVERED ANNUAL PHYSICAL EXAM MESSAGES TO 141,017 HEALTH PLAN MEMBERS -HEALTHY EDGE/MISSION HEALTH DURING THE MONTH OF NOVEMBER, 13,643 EMPLOYEES COMPLETED A HEALTH RISK ASSESSMENT IN CONJUNCTION WITH THE MISSION HEALTH PROGRAM OF THOSE, 8,795 EMPLOYEES ATTENDED 138 ON-SITE HEALTH SCREENINGS WITHIN SIX MONTHS IN 2011, 4,879 EMPLOYEES WERE IDENTIFIED WITH TWO OR MORE HEALTH RISKS AND 4,313 AGREED TO ENGAGE WITH A HEALTH COACH 2,199 EMPLOYEES AGREED TO CONTINUE ENGAGING WITH THEIR HEALTH COACH 1,248 EMPLOYEES FROM 2011 WILL NO LONGER NEED TO ENGAGE WITH A HEALTH COACH OUR EMPLOYEE MAMMOGRAPHY PROGRAM OFFERED ALL FEMALE SENTARA EMPLOYEES AGE 40 AND OVER THE OPPORTUNITY FOR A MAMMOGRAM SCREENING 1,207 EMPLOYEES SUBMITTED MAMMOGRAPHY, COLORECTAL CANCER SCREENING AND/OR PROSTATE CANCER SCREENING PROGRAM COUPONS IN 2011 -OUR TOBACCO CESSATION PROGRAM HAD 11,103 INTERVENTIONS IN 2011 21,856 CAMPUS-WIDE ELECTRONIC INTERVENTIONS WERE SENT OUT TO PROMOTE THE GREAT AMERICAN SMOKE OUT, AND 6,155 GREAT AMERICAN SMOKE OUT QUIT KITS WERE DISTRIBUTED FOURTEEN NURSING STUDENTS FROM ITT RECEIVED ORIENTATION TO THE TOBACCO CESSATION COMMUNITY PROGRAM GOALS AND OBJECTIVES FROM OUR CERTIFIED TOBACCO TREATMENT SPECIALIST THE SPECIALIST FACILITATED 22 TOBACCO CESSATION AWARENESS GROUP PROGRAMS FOR 132 PARTICIPANTS OVER 300 INPATIENTS FROM SENTARA VIRGINIA BEACH GENERAL HOSPITAL WERE CONTACTED FOUR WEEKS AFTER THEIR HOSPITAL DISCHARGE FOR TOBACCO CESSATION FOLLOW-UP -SENTARA LIVING HELD TWO MAJOR EVENTS FOR SENIORS THE SENIOR HEALTH FAIR HAD 450 PARTICIPANTS THERE WAS PARTICIPATION FROM 11 INTERNAL VENDORS AND 20 EXTERNAL VENDORS MEMBERSHIP IN THIS COMMUNITY-BASED PROGRAM IS 22,017 478 MEMBERS PARTICIPATED IN 10 HEALTH PRESENTATIONS, 395 MEMBERS ATTENDED 27 SENIOR SEMINARS, AND OVER 8,981 CAR AND HOME "FILE OF LIFE" PACKETS WERE DISTRIBUTED TO NEW MEMBERS -FLU PATROL ADMINISTERED A TOTAL OF 8,348 IMMUNIZATIONS -THE ENTIRE DEPARTMENT SUPPORTED COMMUNITY PARTNERS, INCLUDING VIRGINIA DEPARTMENT OF HEALTH, VIRGINIA DIABETES COUNCIL, PENINSULA AGENCY ON AGING, COMMUNITY HEALTH CENTERS, AND VARIOUS CHURCHES WITH RESOURCES FOR CARDIOVASCULAR HEALTH RISK REDUCTION, CANCER RISK REDUCTION PROGRAMS AND CLINICAL EXPERTISE FOR PROGRAM DEVELOPMENT C ACCREDITATION AND AWARDS THE NATIONAL COMMITTEE FOR QUALITY ASSURANCE (NCQA) HAS RECOGNIZED OUR QUEST FOR EXCELLENCE BY AWARDING OUR COMMERCIAL HMO AND MEDICAID HMO PRODUCTS WITH AN "EXCELLENT" ACCREDITATION STATUS WE HAVE MAINTAINED THIS RATING SINCE 1998, A CLAIM NO OTHER HEALTH PLAN IN THE REGION CAN MAKE OPTIMA HEALTH RECEIVED AN A+ RATING FROM THE STREET COM (WEISS RATINGS, INC) FOR FINANCIAL SOUNDNESS, RECOGNIZING OUR ABILITY TO WITHSTAND SEVERE ECONOMIC ADVERSITY AND SHOWING EXCEPTIONAL FINANCIAL STRENGTH THE STREET COM IS THE NATION'S LEADING INDEPENDENT PROVIDER OF RATINGS AND ANALYSES OF FINANCIAL SERVICE COMPANIES, MUTUAL FUNDS, AND STOCKS THE RATING RECOGNIZES OPTIMA HEALTH AS AN OUTSTANDING INSURER OFFERING EXCELLENT FINANCIAL STABILITY FOR ITS CUSTOMERS FEWER THAN FIVE PERCENT OF THE NATION'S HMO'S AND HEALTH INSURERS MEET THE STREET COM RATING'S CRITERIA FOR EXCEPTIONAL FINANCIAL STRENGTH </p>

Identifier	Return Reference	Explanation
		VIII CONCLUSION THROUGH ALL THAT WE DO AT SENTARA HEALTH, WE STRIVE TO IMPROVE HEALTH EVERY DAY, WHETHER IT IS BY USING THE MOST ADVANCED MEDICAL EQUIPMENT POSSIBLE, CARING FOR A NEW PATIENT WHO MIGHT NOT OTHERWISE BE HELPED, OR RESEARCHING NEW WAYS TO PREVENT OR CURE CHALLENGING HEALTH CONDITIONS WHILE OUR OFFICIAL PATIENT COUNT COULD BE FIGURED HOSPITAL BY HOSPITAL AND PHYSICIAN'S OFFICE BY PHYSICIAN'S OFFICE, WE BELIEVE WE MAY HELP NEARLY THREE MILLION PEOPLE -- WHETHER ENROLLED "PATIENTS" OR COMMUNITY MEMBERS -- ACROSS VIRGINIA AND NORTH CAROLINA, THANKS TO ALL OF OUR VITAL HEALTH SERVICES AND PROGRAMS OFFERED EACH YEAR

Identifier	Return Reference	Explanation
NUMBER REPORTED IN BOX 3 OF FORM 1096	FORM 990, PART V, LINE 1A	THE 501(C)(3) SOLE MEMBER OF THE ORGANIZATION, SENTARA HEALTHCARE, MAINTAINS AN AGENCY RELATIONSHIP WITH THE ORGANIZATION AND ISSUES ALL 1099S ON ITS BEHALF. THE NUMBER REPORTED IS A BEST ESTIMATE OF THE 1099S ATTRIBUTABLE TO THE ORGANIZATION. THE EXACT NUMBER CANNOT BE DETERMINED, AS SOME OF THE 1099S ISSUED BY THE AGENT ARE ATTRIBUTABLE TO MORE THAN ONE ENTITY, AND THERE IS NO REPORTING MECHANISM TO DETERMINE 1099'S ATTRIBUTABLE SOLELY TO THE ORGANIZATION.

Identifier	Return Reference	Explanation
NUMBER OF EMPLOYEES REPORTED ON FORM W-3	FORM 990, PART I, LINE 5 AND PART V, LINE 2A	THE 501(C)(3) SOLE MEMBER OF THE ORGANIZATION, SENTARA HEALTHCARE, ACTS AS COMMON PAY AGENT FOR THE ORGANIZATION AND ISSUES ALL FORM W-2S ON ITS BEHALF SINCE THE AGENT HAS NO REPORTING MECHANISM TO DETERMINE W-2S ATTRIBUTABLE SOLELY TO THE ORGANIZATION, THE NUMBER REPORTED REPRESENTS THE AVERAGE NUMBER OF THE ORGANIZATION'S EMPLOYEES PAID DURING EACH PAYROLL CYCLE IN 2011, WHICH APPROXIMATES THE NUMBER OF W-2S ISSUED BY THE AGENT ON BEHALF OF THE ORGANIZATION

Identifier	Return Reference	Explanation
COMPENSATION OF OFFICERS, DIRECTORS, TRUSTEES, KEY EMPLOYEES, HIGHEST COMPE	FORM 990, PART VII	HOURS DEVOTED TO RELATED ORGANIZATIONS DAVID L BERND DEVOTED AN AVERAGE OF 50 HOURS PER WEEK TO RELATED ORGANIZATIONS HOWARD P KERN DEVOTED AN AVERAGE OF 51 HOURS PER WEEK TO RELATED ORGANIZATIONS MEGAN R PERRY DEVOTED AN AVERAGE OF 5 HOURS PER WEEK TO RELATED ORGANIZATIONS MICHAEL R SORENSON DEVOTED AN AVERAGE OF 1 HOUR PER WEEK TO RELATED ORGANIZATIONS

Identifier	Return Reference	Explanation
BOARD MEMBER INDEPENDENCE	FORM 990, PART VI, LINE 1B	BOARD MEMBERS ARE ELECTED ANNUALLY BY THE ORGANIZATION'S 501(C)(3) SOLE MEMBER, SENTARA HEALTHCARE. THE GOVERNING BOARD OF SENTARA HEALTHCARE IS A COMMUNITY-BASED BOARD COMPRISED OF 20 VOTING MEMBERS, 16 OF WHICH ARE CONSIDERED INDEPENDENT, AS DEFINED IN THE FORM 990 INSTRUCTIONS

Identifier	Return Reference	Explanation
DOCUMENT RETENTION POLICY	FORM 990, PART VI, LINE 14	THE ORGANIZATION HAD A WRITTEN POLICY FOR DOCUMENT RETENTION AND DESTRUCTION WHICH WAS APPROVED BY MANAGEMENT

Identifier	Return Reference	Explanation
JOINT VENTURE POLICY	FORM 990, PART VI, LINE 16B	THE SENTARA HEALTHCARE SYSTEM HAD A WRITTEN POLICY REQUIRING EVALUATION OF ITS PARTICIPATION IN JOINT VENTURE ARRANGEMENTS UNDER APPLICABLE FEDERAL TAX LAW THIS POLICY WAS APPROVED BY MANAGEMENT THE ORGANIZATION ALSO TOOK STEPS TO SAFEGUARD THE ORGANIZATION'S EXEMPT STATUS WITH RESPECT TO SUCH ARRANGEMENTS

Identifier	Return Reference	Explanation
STATEMENT FILED PURSUANT TO TREASURY REGULATION SEC 1 6038-2(J) (3)		THE TAXPAYER IS A MEMBER OF THE SENTARA HEALTHCARE ("SHC") CONTROLLED GROUP. SHC, EIN 52-1271901, OWNS BAY PRIMEX INSURANCE COMPANY, LTD, A CONTROLLED FOREIGN CORPORATION. SHC FURNISHES ALL INFORMATION REQUIRED OF THE TAXPAYER BY IRC SECTION 6038 AND THE REGULATIONS THEREUNDER WITH RESPECT TO BAY PRIMEX INSURANCE COMPANY, LTD. THEREFORE, PURSUANT TO TREASURY REGULATION SEC 1 6038-2(J)(2), THE TAXPAYER IS EXCEPTED FROM PROVIDING SUCH INFORMATION. THE REQUIRED INFORMATION IS E-FILED WITH SHC'S FORM 990 RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX. IN ADDITION, TWO OTHER MEMBERS OF THE SHC CONTROLLED GROUP OWN NON-CONTROLLING INTERESTS IN VIRGINIA SOLUTIONS SPC, LTD, A CONTROLLED FOREIGN CORPORATION. ALL INFORMATION REQUIRED OF THE TAXPAYER BY IRC SECTION 6038 AND THE REGULATIONS THEREUNDER WITH RESPECT TO VIRGINIA SOLUTIONS SPC, LTD IS FURNISHED BY MARTHA JEFFERSON HOSPITAL ("MJH"), EIN 54-0261840. THEREFORE, PURSUANT TO TREASURY REGULATION SEC 1 6038-2(J)(2), THE TAXPAYER IS EXCEPTED FROM PROVIDING SUCH INFORMATION. THE REQUIRED INFORMATION IS E-FILED WITH MJH'S FORM 990 RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX.

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
POTOMAC HOSPITAL CORPORATION OF PRINCE WILLIAM

Employer identification number
54-0853898

Part I

Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II

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

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

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
See Additional Data Table												

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
See Additional Data Table							

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

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

j

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

k

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

l

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

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

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

r

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

Yes

No

1a

Yes

1b

No

1c

No

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

Yes

1l

Yes

1m

Yes

1n

Yes

1o

Yes

1p

Yes

1q

Yes

1r

Yes

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

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

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
------------	------------------	-------------	--

Software ID:

Software Version:

EIN: 54-0853898

Name: POTOMAC HOSPITAL CORPORATION OF PRINCE WILLIAM

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization	
SENTARA HEALTHCARE 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 52-1271901	HEALTH CARE	VA	501 (C)(3)	LN7_NORMALGOVTSUPPOR	N/A		No
SENTARA PRINCESS ANNE HOSPITAL 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 52-1277419	HEALTH CARE	VA	501 (C)(3)	LN3_HOSPITALCOOPINSE	SENTARA HOSPITALS	Yes	
SENTARA HOSPITALS 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 54-1547408	HEALTH CARE	VA	501 (C)(3)	LN3_HOSPITALCOOPINSE	SENTARA HEALTHCARE	Yes	
SENTARA MEDICAL GROUP 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 54-1217184	HEALTH CARE	VA	501 (C)(3)	LN9_MORETHAN30PCTCON	SENTARA HEALTHCARE	Yes	
SENTARA ENTERPRISES 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 54-1917649	HEALTH CARE	VA	501 (C)(3)	LN9_MORETHAN30PCTCON	SENTARA HEALTHCARE	Yes	
SENTARA LIFE CARE CORP 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 54-1217183	HEALTH CARE	VA	501 (C)(3)	LN9_MORETHAN30PCTCON	SENTARA HEALTHCARE	Yes	
MPB INC 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 54-1346393	TITLE HOLDING COMPANY	VA	501 (C)(2)		SENTARA ENTERPRISES	Yes	
OPTIMA HEALTH PLAN 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 54-1283337	HMO	VA	501 (C)(2)	11A - I	SENTARA HEALTHCARE	Yes	
ROCKINGHAM MEMORIAL HOSPITAL 2010 HEALTH CAMPUS DRIVE HARRISONBURG, VA 22801 54-0506331	HEALTH CARE	VA	501 (C)(3)	LN3_HOSPITALCOOPINSE	SENTARA HEALTHCARE	Yes	
VALLEY WELLNESS CENTER 501 STONE SPRING ROAD HARRISONBURG, VA 22801 52-1309257	PREVENTATIVE HEALTH/REHAB	VA	501 (C)(3)	LN9_MORETHAN30PCTCON	ROCKINGHAM MEMORIAL HOSPITAL	Yes	
MJH FOUNDATION 500 MARTHA JEFFERSON DRIVE CHARLOTTESVILLE, VA 22911 54-1401357	INVEST/MGT SVCS FOR MARTHA JEFFERSON HOSPITAL	VA	501 (C)(3)	11A - I	MARTHA JEFFERSON HOSPITAL	Yes	
MARTHA JEFFERSON HOSPITAL FOUNDATION 500 MARTHA JEFFERSON DRIVE CHARLOTTESVILLE, VA 22911 30-0041113	FUNDRAISING	VA	501 (C)(3)	11A - I	MARTHA JEFFERSON HOSPITAL	Yes	
MARTHA JEFFERSON HOSPITAL 500 MARTHA JEFFERSON DRIVE CHARLOTTESVILLE, VA 22911 54-0261840	HEALTH CARE	VA	501 (C)(3)	LN3_HOSPITALCOOPINSE	SENTARA HEALTHCARE	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
SENTARA HOLDINGS INC 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 54-1555638	HOLDING COMPANY	VA	N/A	C			
SENTARA HEALTH PLANS INC 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 52-2368125	TPA	VA	N/A	C			
OPTIMA HEALTH GROUP 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 54-1473382	HMO	VA	N/A	C			
OPTIMA HEALTH INSURANCE COMPANY 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 54-1642752	HEALTH INSURANCE	VA	N/A	C			
OPTIMA BEHAVIORAL HEALTH SERVICES 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 62-1382666	MENTAL HEALTH SVCS	VA	N/A	C			
SENTARA VENTURES INC 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 54-1688615	HOLDING COMPANY	VA	N/A	C			
SMG INNOVATIONS INC 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 20-3730331	HEALTH CARE	VA	N/A	C			
SENTARA OBICI PROFESSIONAL CENTER 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 54-1445865	RE RENTAL	VA	N/A	C			
SENTARA OBICI MED MGT SERVICES 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 54-1020941	HEALTH CARE	VA	N/A	C			
POTOMAC VENTURES CORP 6015 POPLAR HALL DRIVE NORFOLK, VA 23502 54-1441420	PHARMACY	VA	POTOMAC HOSPITAL CORP OF PW	C	243,315	1,977,912	100 000 %
ROCKINGHAM HEALTH SERVICES INC 2010 HEALTH CAMPUS DRIVE HARRISONBURG, VA 22801 54-1721387	CONTRACTING SVCS	VA	N/A	C			
MARTHA JEFFERSON MEDICAL ENTERPRISES INC 630 PETER JEFFERSON PARKWAY CHARLOTTESVILLE, VA 22911 54-1841528	MEDICAL BILLING SVCS	VA	N/A	C			

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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1)	SENTARA HOSPITALS	K	143,937	CORP BOOKS/REC
(2)	SENTARA HOSPITALS	L	477,258	CORP BOOKS/REC
(3)	SENTARA HOSPITALS	M	4,724,801	CORP BOOKS/REC
(4)	SENTARA HOSPITALS	O	918,105	CORP BOOKS/REC
(5)	SENTARA HOSPITALS	Q	159,996	CORP BOOKS/REC
(6)	SENTARA HOSPITALS	R	622,233	CORP BOOKS/REC
(7)	SENTARA MEDICAL GROUP	L	569,005	CORP BOOKS/REC
(8)	SENTARA ENTERPRISES	L	216,444	CORP BOOKS/REC
(9)	SENTARA ENTERPRISES	O	121,531	CORP BOOKS/REC
(10)	POTOMAC VENTURES CORP	A	30,091	CORP BOOKS/REC
(11)	POTOMAC VENTURES CORP	N	245,816	CORP BOOKS/REC



SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Consolidated Financial Statements and Supplemental Schedules

December 31, 2011 and 2010

(With Independent Auditors' Report Thereon)

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

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KPMG LLP
Suite 1900
440 Monticello Avenue
Norfolk, VA 23510

Independent Auditors' Report

The Board of Directors
Sentara Potomac Hospital

We have audited the accompanying consolidated balance sheets of Sentara Potomac Hospital and subsidiary (together, the Corporations) as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporations' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporations' 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sentara Potomac Hospital and subsidiary as of December 31, 2011 and 2010, and the results of their operations, the changes in their net assets and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The supplementary information included in schedules 1 and 2 is presented for purpose 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 the other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

April 13, 2012

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Consolidated Balance Sheets

December 31, 2011 and 2010

(In thousands)

Assets	2011	2010
Current assets		
Cash and cash equivalents	\$ 45,738	38,887
Receivables, net	33,745	20,784
Inventories	3,957	4,237
Prepaid expenses and other current assets	374	789
Total current assets	83,814	64,697
Investments and assets whose use is limited	26,012	29,952
Property, plant and equipment, net	142,562	132,470
Land held for future use, at cost	7,792	7,792
Other assets, net	6,760	6,589
Total assets	\$ 266,940	241,500
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 4,648	6,670
Current installments of long-term debt	960	1,725
Payables to affiliated organizations	43,579	4,142
Accrued interest payable	621	838
Estimated third-party payor settlements	406	288
Other current liabilities	6,150	7,121
Total current liabilities	56,364	20,784
Long-term debt, excluding current installments	45,462	62,642
Other long-term liabilities	10,225	11,084
Total liabilities	112,051	94,510
Net assets		
Unrestricted	151,209	142,737
Temporarily restricted	3,013	3,586
Permanently restricted	667	667
Total net assets	154,889	146,990
Total liabilities and net assets	\$ 266,940	241,500

See accompanying notes to consolidated financial statements

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Consolidated Statements of Operations

Years ended December 31, 2011 and 2010

(In thousands)

	<u>2011</u>	<u>2010</u>
Operating revenues, gains, and other support		
Net patient service revenue	\$ 190,833	181,651
Other operating revenue	2,849	3,834
Net assets released from restrictions for operations	1,136	1,165
Total operating revenues, gains, and other support	<u>194,818</u>	<u>186,650</u>
Operating costs and expenses		
Salaries and wages	66,285	62,508
Benefits	13,236	16,410
Other operating expenses	66,106	59,423
Interest expense	3,075	3,425
Provision for bad debts	26,822	31,337
Depreciation and amortization	10,839	10,884
Total operating costs and expenses	<u>186,363</u>	<u>183,987</u>
Net operating income	8,455	2,663
Nonoperating gains, net	<u>17</u>	<u>2,068</u>
Excess of revenues over expenses	8,472	4,731
Net assets released from restrictions for capital purchases	—	1,003
Assumption of retirement obligation by Sentara Healthcare	—	47,864
Cumulative effect of change in accounting principle (note 2 (g))	—	27,416
Change in funded status of retirement obligation	—	(28,056)
Increase in unrestricted net assets	<u>\$ 8,472</u>	<u>52,958</u>

See accompanying notes to consolidated financial statements

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Consolidated Statements of Changes in Net Assets

Years ended December 31, 2011 and 2010

(In thousands)

	<u>2011</u>	<u>2010</u>
Unrestricted net assets		
Excess of revenues over expenses	\$ 8,472	4,731
Net assets released from restrictions for capital purchases	—	1,003
Assumption of retirement obligation by Sentara Healthcare	—	47,864
Cumulative effect of change in accounting principle	—	27,416
Change in funded status of retirement obligation	—	(28,056)
	<u>8,472</u>	<u>52,958</u>
Increase in unrestricted net assets		
Temporarily restricted net assets		
Contributions	563	1,323
Net unrealized gains on investments	—	54
Net assets released from restrictions	(1,136)	(2,168)
	<u>(573)</u>	<u>(791)</u>
Decrease in temporarily restricted net assets		
Increase in net assets	7,899	52,167
Net assets, beginning of year	<u>146,990</u>	<u>94,823</u>
Net assets, end of year	<u>\$ 154,889</u>	<u>146,990</u>

See accompanying notes to consolidated financial statements

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years ended December 31, 2011 and 2010

(In thousands)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Increase in net assets	\$ 7,899	52,167
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Provision for bad debts	26,822	31,337
Depreciation and amortization	10,839	10,884
Net realized and unrealized gain on investments	(37)	(1,776)
Loss on disposition of property, plant, and equipment	(489)	(64)
Equity in earnings of joint ventures	(937)	(926)
Loss on defeasance of debt	232	—
Transfer of retirement obligation to Sentara Healthcare	—	(47,864)
Cumulative effect of change in accounting principle	—	(27,416)
Restricted contributions received	(563)	(1,323)
Change in operating assets and liabilities		
Receivables, net	(39,783)	(29,532)
Inventories	280	(653)
Prepaid expenses and other current assets	415	636
Accounts payable and accrued expenses	(2,239)	(87)
Retirement obligation	—	26,419
Estimated third-party payor settlements	118	288
Other liabilities	(1,830)	388
Net cash provided by operating activities	<u>727</u>	<u>12,478</u>
Cash flows from investing activities		
Capital expenditures	(21,059)	(4,363)
Sales of investments, net	3,052	7,041
Net changes in other assets	561	(1,675)
Proceeds from disposal of property, plant, and equipment	670	65
Net cash (used in) provided by investing activities	<u>(16,776)</u>	<u>1,068</u>
Cash flows from financing activities		
Restricted contributions received	563	1,323
Payments on long-term debt	(17,100)	(1,631)
Advances from affiliates	39,437	4,139
Net cash used in financing activities	<u>22,900</u>	<u>3,831</u>
Net increase in cash and cash equivalents	6,851	17,377
Cash and cash equivalents, beginning of year	38,887	21,510
Cash and cash equivalents, end of year	<u>\$ 45,738</u>	<u>38,887</u>
Supplemental disclosure of cash flow information		
Cash paid during year for interest	\$ 3,292	3,436

See accompanying notes to consolidated financial statements

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

(1) Description of Organization

Sentara Potomac Hospital (the Hospital) is a nonstock, nonprofit, 501(c)(3) tax-exempt Virginia Corporation that provides acute care hospital services to the citizens of eastern Prince William, southern Fairfax, and northern Stafford Counties in northern and central Virginia

In 2006, the Hospital opened a new 183-bed patient care facility, which provides state-of-the-art diagnostic services including nuclear medicine, cardiovascular radiology, radiation therapy, and chemotherapy for cancer treatment, neonatal intensive care, and cardiac and pulmonary rehabilitation Potomac Ventures Corporation (Ventures), its subsidiary (together, the Corporations), has been organized to carry on healthcare activity of a taxable nature

The mission of Sentara Healthcare (Sentara) is "We improve health every day" Sentara recognizes that the public trust in its hospitals and services represents both a privilege and a commitment As the region's not-for-profit health partner, Sentara is recognized as a leader in providing high quality healthcare regardless of a patient's ability to pay

(2) Summary of Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the Corporations All significant intercompany accounts and transactions have been eliminated

(b) 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 Cash and cash equivalents whose use is limited by designation, trust agreements, or donor restrictions are excluded

(c) Receivables, Net

Receivables primarily comprise patient receivables and are presented net of allowances for contractual adjustments and uncollectible receivables The allowance for uncollectible accounts is management's best estimate of the amount of probable credit losses in the Hospital's existing receivables The Hospital determines the allowance based on historical write-off experience Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote The Hospital does not have any off-balance-sheet credit exposure related to its customers

Receivables also include amounts due from affiliated organizations

(d) 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

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

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, 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.

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 consolidated financial statements.

The Hospital has invested in other entities that provide healthcare services. Investments where the Hospital has at least a 20% ownership interest are accounted for under the equity method. As these investments are primarily for the purpose of providing healthcare services, the Hospital's equity in their earnings, which totaled \$937 and \$926 for the years ended December 31, 2011 and 2010, respectively, is included in other operating revenue in the consolidated statements of operations. The assets associated with these investments are included as a component of other assets, net in the consolidated balance sheets and totaled \$2,706 and \$2,002 at December 31, 2011 and 2010, respectively.

Assets whose use is limited include assets held by trustee under debt agreement.

(e) *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. 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 40 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.

(f) *Impairment of Long-Lived Assets*

The Corporations assess 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 Corporations' weighted average cost of capital.

(g) *Goodwill*

Goodwill represents the excess or deficiency of the purchase price over the fair value of the net assets of acquired companies. In conjunction with the implementation of Accounting Standards Update (ASU) 2010-07, *Not-for-Profit Entities* (Topic 958) *Not-for-Profit Entities: Mergers and*

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(In thousands)

Acquisitions (ASU 2010-07), effective January 1, 2010, the Corporations no longer amortize goodwill, but test the carrying value of goodwill annually for impairment

Negative goodwill of \$32,544 was recognized on the acquisition of the Corporations by Sentara. In conjunction with the implementation of ASU 2010-07 on January 1, 2010, the negative goodwill was reclassified to unrestricted net assets through a cumulative effect of change in accounting principle.

(h) *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 have 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.

(i) *Nonoperating Income and Excess 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 Corporations' primary mission, are considered to be nonoperating.

The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice, include the cumulative effect of changes in accounting principle, nonperiodic changes in the funded status of defined benefit pension plans and contributions of long-lived assets (including assets acquired using donor restricted contributions).

(j) *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.

(k) *Charity Care*

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

(l) *Income Taxes*

The Hospital is a not-for-profit corporation as defined under 501(c)(3) of the Internal Revenue Code, and is exempt from federal income tax on related income pursuant to Section 501(a) of the Internal Revenue Code.

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(In thousands)

Ventures 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 carry forwards. 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.

(m) *Use of Estimates*

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include valuation allowances for patient accounts receivable, self-insurance liabilities, third-party settlement liabilities, retirement obligations, tax asset valuation allowances, and the carrying amount of property, plant and equipment and investments.

(n) *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 Standards Accounting Board (FASB) Accounting Standards Codification (ASC) 820 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 sheets approximate fair value because of the short maturity of these instruments.

(o) *Reclassifications*

Certain reclassifications have been made to the 2010 consolidated financial statements in order to conform to 2011 consolidated financial statement presentation. These reclassifications had no impact on net assets or excess of revenues over expenses for the year ended December 31, 2010.

(p) *Subsequent Events*

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

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

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(In thousands)

(q) *Newly Adopted Accounting Pronouncements*

On January 1, 2010, the Hospital adopted 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, among other things, 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. Additionally, goodwill is no longer amortized and negative goodwill is credited to net assets. A cumulative effect of change in accounting principle in the amount of \$27,416 was recognized in 2010 to reclassify previously recognized negative goodwill, subsequent to certain purchase accounting adjustments, to net assets in accordance with the pronouncement.

On January 1, 2011, the Hospital adopted ASU No. 2010-23, *Health Care Entities* (Topic 954) *Measuring Charity Care for Disclosure*. ASU No. 2010-23 is intended to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care across healthcare entities that provide it. ASU No. 2010-23 requires that cost be used as the measurement basis for charity care disclosure purposes and that cost be defined as the direct or indirect cost of providing the charity care, and requires disclosure of the method used to identify or determine such costs.

In July 2011, the FASB issued ASU No. 2011-07, *Health Care Entities* (Topic 954) *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, which, among other things, requires certain healthcare entities to present the provision for bad debts associated with patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) rather than an operating expense. Additionally, enhanced disclosures about an entity's policies for recognizing revenue, assessing bad debts, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts are required. The adoption of ASU 2011-07 is effective for Sentara beginning January 1, 2012.

(3) **Net Patient Service Revenue**

Net patient service revenue is computed as follows for the years ended December 31:

	2011	2010
Gross patient charges	\$ 455,654	390,272
Charity care	34,267	18,016
Gross patient service revenue	421,387	372,256
Medicare, Medicaid and Tricare contractual deductions	106,428	84,345
Other discounts and allowances	124,126	106,260
Net patient service revenue	<u>\$ 190,833</u>	<u>181,651</u>

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(In thousands)

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 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. 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 PPS, which is subject to certain limitations and possible retroactive adjustment. The Hospital has final settled with the Medicaid program through the 2010 cost report year.

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

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. The effect of those settlement adjustments was to increase net patient service revenue by \$1,068 in 2011 and decrease net patient service revenue by \$288 in 2010.

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 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 routine and nonroutine exposures consistent with industry accounting principles and practices. These estimated liabilities are included in other long-term liabilities in the consolidated balance sheets in the amount of \$7,604 and \$8,950 as of December 31, 2011 and 2010, respectively.

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Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

(4) Receivables, Net

Receivables, net are computed as follows at December 31

	<u>2011</u>	<u>2010</u>
Patient accounts receivable	\$ 86,088	47,169
Less		
Contractual allowances for third-party payors	43,981	19,709
Allowances for uncollectible accounts	<u>11,917</u>	<u>10,256</u>
Patient accounts receivable, net	30,190	17,204
Other receivables	1,675	3,580
Receivables from affiliated organizations	<u>1,880</u>	<u>—</u>
Receivables, net	<u>\$ 33,745</u>	<u>20,784</u>

(5) Investments and Assets Whose Use is Limited

A summary of investments and assets whose use is limited included in the accompanying consolidated balance sheets as of December 31 is as follows

	<u>2011</u>	<u>2010</u>
Investments at fair value	\$ 22,604	26,544
Guaranteed investment contract	<u>3,408</u>	<u>3,408</u>
Total investments and assets whose use is limited	<u>\$ 26,012</u>	<u>29,952</u>

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(In thousands)

Investments and assets whose use is limited at fair value are as follows

	<u>2011</u>	<u>2010</u>
Unrestricted investments		
Fixed maturities – domestic	9,760	10,302
Equity securities – domestic	12,138	11,729
Short-term investments	13	8
	<u>21,911</u>	<u>22,039</u>
Donor-restricted investments		
Fixed maturities – domestic	—	583
Equity securities		
Domestic	—	572
International	—	92
Short-term investments	—	92
	<u>—</u>	<u>1,339</u>
Assets whose use is limited under indenture and agreement		
Fixed maturities – domestic	3,408	3,408
Short-term investments	693	3,166
	<u>4,101</u>	<u>6,574</u>
Total investments and assets whose use is limited at fair value	\$ <u>26,012</u>	<u>29,952</u>

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 comprise 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 Corporation'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 Corporation'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 from observable market quotations, when available. Equity securities where a public quotation is not available are valued by using broker quotes.

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

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(In thousands)

The following tables present the fair value hierarchy for those investments measured at fair value on a recurring basis as of December 31, 2011 and 2010

		Fair value measurements at December 31, 2011 using		
	Total	Level 1	Level 2	Level 3
Investments				
Fixed maturities – domestic	\$ 15,546	12,138	3,408	—
Equity securities – domestic	9,760	9,760	—	—
Short-term investments	706	706	—	—
Total	<u>\$ 26,012</u>	<u>22,604</u>	<u>3,408</u>	<u>—</u>

		Fair value measurements at December 31, 2010 using		
	Total	Level 1	Level 2	Level 3
Investments				
Fixed maturities – domestic	\$ 14,293	10,885	3,408	—
Equity securities				—
Domestic	12,301	9,987	2,314	
International	92	92	—	
Short-term investments	3,266	3,266	—	—
Total	<u>\$ 29,952</u>	<u>24,230</u>	<u>5,722</u>	<u>—</u>

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

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(In thousands)

(6) Property, Plant and Equipment

The components of property, plant and equipment, at cost, and related accumulated depreciation are summarized as follows at December 31

	<u>2011</u>	<u>2010</u>
Land	\$ 842	842
Land improvements	10,768	11,326
Buildings	148,997	174,227
Fixed equipment	26,736	—
Major moveable equipment	73,311	63,121
	<u>260,654</u>	<u>249,516</u>
Less accumulated depreciation and amortization	<u>(128,822)</u>	<u>(118,554)</u>
	131,832	130,962
Construction in progress	<u>10,730</u>	<u>1,508</u>
Total	<u><u>\$ 142,562</u></u>	<u><u>132,470</u></u>

Depreciation and amortization related to property, plant, and equipment totaled \$10,785 and \$10,814 for the years ended December 31, 2011 and 2010, respectively

Construction projects in progress at December 31, 2011, to which the Corporations are contractually committed, are expected to have remaining project costs of approximately \$19,014. The commitments include the costs to complete the implementation of electronic medical records, an ambulatory campus and a cancer center. There was no capitalized interest recorded related to construction in progress during fiscal years 2011 or 2010.

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(In thousands)

(7) Long-Term Debt

Long-term debt obligations at December 31 are summarized as follows

	<u>2011</u>	<u>2010</u>
Hospital revenue bonds		
Series 1998, repaid in 2011	\$ —	17,100
Series 2003, payable in installments ranging from \$960 to \$3,230 through 2036, with fixed interest rates ranging from 3.75% to 5.50% (average interest rate for 2011 was 5.2%)	46,660	47,585
Total long-term debt outstanding	46,660	64,685
Unamortized bond premium, net	(238)	(318)
Less amount classified as current	(960)	(1,725)
Long-term debt	<u>\$ 45,462</u>	<u>62,642</u>

The 1998 and 2003 Hospital Revenue Bonds were issued under sales agreements between the Hospital and the Industrial Development Authority of the County of Prince William (the Authority), pursuant to which the Authority will sell certain improvements back to the Hospital for aggregate installment payments sufficient to enable the Authority to pay the principal and interest on the bonds when due. Principal and interest payments are due semiannually. In September 2011, Sentara repaid the outstanding balance of the 1998 Series of \$17,100. A loss of \$232 was recognized on the repayment and is included in nonoperating gains, net in the consolidated statement of operations as of December 31, 2011.

Principal maturities and sinking fund requirements of long-term debt at December 31, 2011 are as follows:

2012	\$ 960
2013	1,000
2014	1,045
2015	1,100
2016	1,150
Due after 2017	41,405
	<u>\$ 46,660</u>

The fair value of all bonds is determined by market quotations using Level 1 criteria. The fair value of bonds at December 31, 2011 was \$46,564.

The 2003 Hospital Revenue Bonds are expected to be advance refunded with proceeds of Sentara's Series 2012B Health Care Facilities Revenue and Refunding bonds to be issued on or about May 16, 2012. In connection therewith, Sentara expects that all obligations issued under the Corporations' master indenture will be cancelled and discharged.

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(In thousands)

(8) Retirement Obligations

The Hospital has a pension plan (the Pension Plan) covering substantially all employees. The Pension Plan uses two formulas to calculate benefits. The Pension Plan historically used a final average pay formula, which provides defined benefits based on years of service and final average salary. Effective January 1, 2004, a cash balance formula was added to the Pension Plan. Employees hired on or after January 1, 2004 accrue benefits under the cash balance formula. Employees who were on the payroll on December 31, 2003 were given a choice to switch to the cash balance formula or stay under the final average pay formula.

Effective December 31, 2008, the Pension Plan benefits were frozen. Subsequent to December 31, 2008, Pension Plan benefits are no longer increased for future service and compensation, and no new participants are eligible for benefits. On December 31, 2010, the Pension Plan was merged into Sentara Healthcare's defined benefit pension plan and Sentara Healthcare assumed responsibility for the related plan assets and liabilities.

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(In thousands)

The following table sets forth amounts recognized in the consolidated financial statements as of and for the year ended December 31, 2010 related to the Pension Plan

	<u>2010</u>
Change in projected benefit obligation	
Benefit obligation at January 1, 2010	\$ 114,949
Interest cost	7,342
Actuarial loss	28,717
Benefit payments	(4,081)
Assumption of liability by Sentara Healthcare	(146,927)
Projected benefit obligation December 31, 2010	\$ <u>—</u>
Change in plan assets	
Fair value of plan assets at January 1, 2010	\$ 93,504
Actual return on plan assets	9,640
Employer contributions	—
Benefit payments	(4,081)
Assumption of liability by Sentara Healthcare	(99,063)
Fair value of plan assets at December 31, 2010	\$ <u>—</u>
Amounts recognized in the consolidated balance sheet at December 31, 2010	
Noncurrent liabilities	\$ —
Components of net periodic pension expense for the year ended December 31, 2010	
Interest cost	\$ 7,342
Expected return on plan assets	(7,189)
Net periodic pension expense	\$ <u>153</u>

The following table presents the assumptions used to determine the benefit obligation for the Pension Plan at December 31, 2010

	<u>2010</u>
Discount rate	5.32%
Rate of compensation increase	—

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(In thousands)

The following table presents the weighted average assumptions used to determine net periodic benefit expense for the Pension Plan for the year ended December 31, 2010

	<u>2010</u>
Discount rate	5.96%
Expected long-term return on plan assets	7.25
Rate of compensation increase	—

Determination of Expected Long-Term Rate of Return

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. This resulted in the selection of the 7.25% assumption for the year ended December 31, 2010.

Plan Assets

The Hospital's pension plan weighted average asset allocations at December 31, 2010 by asset category are as follows:

<u>Asset category</u>	<u>Target allocation</u>
Equity securities	50 – 70%
Debt securities	30 – 50
Cash	—

Investment Policy and Strategy

The Hospital's investment policy and strategy, established by the Pension Committee of the Hospital and approved by the Hospital Board of Directors, is to maximize the growth of capital within a defined range of risk tolerance. A registered investment manager has been approved and reviews investment performance at each quarterly meeting.

The Pension Plan's assets as of December 31, 2010 were transferred to Sentara Healthcare.

Defined Contribution Retirement Plan

Substantially all of the employees of the Hospital participate in a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code. The Hospital matches a percentage of contributions made by the employees. The Hospital's expense related to this plan for the years ended December 31, 2011

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(In thousands)

and 2010 was \$3,379 and \$3,537, respectively, and is included in employee benefits expense in the accompanying consolidated statements of operations

Call Pay Plan

The Hospital adopted the Potomac Hospital Defined Contribution Call Pay Plan on January 1, 2008. This Plan was developed to assist the Hospital in attracting and retaining highly qualified individuals to provide call services to the Hospital. Income earned by physicians enrolled in this Plan is deferred and invested in the Plan. The Hospital's expense related to this Plan for the years ended December 31, 2011 and 2010 was \$1,288 and \$1,238, respectively, and is included in salaries and wages expense in the consolidated statements of operations. Accrued benefit liabilities under this Plan totaled \$2,621 and \$2,134 as of December 31, 2011 and 2010, respectively, and are included in other long-term liabilities in the consolidated balance sheets.

(9) Community Benefit

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% 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 patient and credit reporting data are used to determine patients' 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 website and included on the statements provided to patients.
- The Hospital employs financial counselors who are available 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. The Hospital also employs an external firm to assist in the eligibility process.
- Any patient, whether covered by insurance or not, may meet with a Hospital representative and receive financial counseling from Sentara's dedicated financial assistance unit.

Sentara recognizes that a large number of uninsured and insured patients meet the charity care guidelines but do not respond to the Hospital's attempts to obtain necessary financial information. In these instances, The Hospital uses credit reporting data to properly classify these unpaid balances as charity care as opposed to bad debt expense. Utilization of income and asset information and credit reporting data indicate

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(In thousands)

the vast majority of amounts reported as provision for bad debts represent amounts due from patients that would otherwise qualify for charity benefits but do not respond to Sentara's attempts to obtain the necessary financial information. In these cases, reasonable collection efforts are pursued, but yield few collections. Finally, management believes that the net loss associated with providing care to Medicaid patients is a component of providing charity care.

Costs incurred are estimated based on the cost to charge ratio for each 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.

	<u>2011</u>	<u>2010</u>
Components of estimated cost of charity and other uncompensated care		
Charity care	\$ 11,918	7,007
Medicaid	1,198	2,115
Bad debt	9,328	12,188
Total estimated cost	<u>\$ 22,444</u>	<u>21,310</u>

(10) Concentration of Credit Risk

Patient receivables 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 receivables by significant payor type follows:

	<u>2011</u>	<u>2010</u>
Commercial/managed care	42%	27%
Medicare	23	22
Anthem (Blue Cross)	19	33
Medicaid	10	12
Self-pay and other	6	6
	<u>100%</u>	<u>100%</u>

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(In thousands)

(11) Functional Expenses

The Corporations provide general healthcare services to residents within their geographic location. Expenses related to providing these services are as follows:

	2011	2010
Health services	\$ 142,823	162,700
General and administrative	43,540	21,287
	<u>\$ 186,363</u>	<u>183,987</u>

(12) Commitments and Contingent Liabilities

(a) General Liability and Malpractice Insurance

The Hospital is insured through Sentara Healthcare. Sentara insures its professional, general and managed care liability risks through insurance policies issued by Lexington Insurance Company. Professional and managed care liability risks are primarily insured on a claims-made basis and general liability risks are insured on a claims-incurred basis. Lexington policy limits are \$2,000 per occurrence and \$23,000 in the aggregate per year for professional and managed care liability and \$1,000 per occurrence for general liability. For the period December 1, 2009 through July 1, 2011, Sentara had a \$1,500 per occurrence self-insured retention (SIR) under the policies for professional liabilities and a \$750 per occurrence SIR for general liabilities. Effective July 1, 2011, the SIR was eliminated and all new exposures were assumed by Sentara's wholly owned captive insurance company, Bay PrimeX Insurance Company, Ltd (Bay PrimeX).

The Lexington policies are reinsured by Sentara's wholly owned captive insurance company, Bay PrimeX. The sole activity of Bay PrimeX is reinsurance, on a facultative basis, of the claims-made professional and managed care liability insurance policies, and the occurrence based general liability policy issued by Lexington Insurance Company to Sentara and its related entities.

All Sentara entities are covered by the same excess liability policies through three independent carriers with total annual coverage limits of \$60,000 per occurrence and \$60,000 in the aggregate for amounts exceeding the primary coverage limits.

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.

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

(b) Employee Health Insurance

The Corporations are self-insured for employee health benefits. Payments under the plan are limited to \$300 per participant per year for Sentara. The costs associated with these claims totaled \$883 and \$1,200 at December 31, 2011 and 2010, respectively, and is included in benefits expense in the consolidated statements of operations.

(c) Lease Commitments

The Corporations are party to operating leases for property and equipment. Rental expense incurred during the years ended December 31, 2011 and 2010 was \$1,776 and \$2,573, respectively. The following is a schedule of significant future minimum lease payments expected to be paid in the following years ending December 31:

2012	\$	1,118
2013		1,034
2014		140
2015		140
2016		35
Total future minimum lease payments		<u>\$ 2,467</u>

(d) Litigation

The Corporations are 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 future financial position or results from operations.

Laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation. Management believes the Corporations are in compliance with all applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material effect on the consolidated financial statements. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs.

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

(13) Nonoperating Gains, Net

Nonoperating gains, net are summarized as follows

	2011	2010
Investment income	\$ 212	1,506
Realized gains on investments, net	1,079	10
Unrealized (losses) gains on investments, net	(1,042)	848
Loss on repayment of debt	(232)	—
Other	—	(296)
Nonoperating gains, net	<u>\$ 17</u>	<u>2,068</u>

(14) Other Operating Expenses

Other operating expenses are summarized as follows

	2011	2010
Supplies	\$ 32,257	30,815
Professional fees	9,732	8,494
Purchased and contracted services	10,439	6,276
Repairs and maintenance	5,831	5,598
Rent	1,776	2,573
Marketing	958	921
Utilities	2,370	1,827
Other	2,743	2,919
Other operating expenses	<u>\$ 66,106</u>	<u>59,423</u>

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

(15) Related Parties

Members of the Corporations' governing board and management may, from time to time, be associated, either directly or indirectly, with companies doing business with the Corporations. For members of management, the Corporations require annual disclosure of significant financial interests in, or employment or consulting relationships with, entities doing business with the Corporations. These annual disclosures cover both the members of the 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 Corporations. There are written conflict of interest policies for the Corporations 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 Corporations. 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 Corporations, and in accordance with applicable conflict of interest laws. No such associations that have been disclosed are considered to be significant.

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Consolidating Balance Sheet

December 31, 2011

(In thousands)

Assets	Potomac Ventures Corporation	Sentara Potomac Hospital	Total before eliminations	Eliminations	Consolidated
Current assets					
Cash and cash equivalents	\$ 1,817	43,921	45,738	—	45,738
Receivable, net	23	33,722	33,745	—	33,745
Inventories	133	3,824	3,957	—	3,957
Prepaid expenses and other current assets	4	370	374	—	374
Total current assets	1,977	81,837	83,814	—	83,814
Investments	—	26,012	26,012	—	26,012
Property, plant, and equipment, net	1	142,561	142,562	—	142,562
Land held for future use, at cost	—	7,792	7,792	—	7,792
Other assets, net	—	6,760	6,760	—	6,760
Total assets	\$ 1,978	264,962	266,940	—	266,940
Liabilities and Net Assets					
Current liabilities					
Accounts payable and accrued expenses	\$ 74	4,574	4,648	—	4,648
Current installments of long-term debt	—	960	960	—	960
Payables to affiliated organizations	1,089	42,490	43,579	—	43,579
Accrued interest payable	—	621	621	—	621
Estimated third-party payor settlements	—	406	406	—	406
Other current liabilities	—	6,150	6,150	—	6,150
Total current liabilities	1,163	55,201	56,364	—	56,364
Long-term debt, excluding current installments	—	45,462	45,462	—	45,462
Other liabilities	—	10,225	10,225	—	10,225
Total liabilities	1,163	110,888	112,051	—	112,051
Net assets					
Unrestricted net assets	815	150,394	151,209	—	151,209
Temporarily restricted net assets	—	3,013	3,013	—	3,013
Permanently restricted net assets	—	667	667	—	667
Total net assets	815	154,074	154,889	—	154,889
Total liabilities and net assets	\$ 1,978	264,962	266,940	—	266,940

See accompanying independent auditors' report

SENTARA POTOMAC HOSPITAL AND SUBSIDIARY

Consolidating Statement of Operations

Year ended December 31, 2011

(In thousands)

	Potomac Ventures Corporation	Sentara Potomac Hospital	Total before eliminations	Eliminations	Consolidated
Operating revenues, gains, and other support					
Net patient service revenue	\$ 951	189,882	190,833	—	190,833
Other operating revenue	234	2,646	2,880	(31)	2,849
Net assets released from restrictions used for operations	—	1,136	1,136	—	1,136
Total operating revenues, gains, and other support	1,185	193,664	194,849	(31)	194,818
Operating costs and expenses					
Salaries and wages	—	66,285	66,285	—	66,285
Employee benefits	—	13,236	13,236	—	13,236
Other operating expenses	1,370	64,767	66,137	(31)	66,106
Interest expense	—	3,075	3,075	—	3,075
Provision for bad debts	—	26,822	26,822	—	26,822
Depreciation and amortization	1	10,838	10,839	—	10,839
Total operating costs and expenses	1,371	185,023	186,394	(31)	186,363
Net operating income (loss)	(186)	8,641	8,455	—	8,455
Nonoperating gains, net	1	16	17	—	17
Excess (deficiency) of revenues over expenses	(185)	8,657	8,472	—	8,472
Increase (decrease) in unrestricted net assets	\$ (185)	8,657	8,472	—	8,472

See accompanying independent auditors' report

Additional Data

Software ID:
Software Version:
EIN: 54-0853898
Name: POTOMAC HOSPITAL CORPORATION OF PRINCE
WILLIAM

Form 990, Special Condition Description:

Special Condition Description
