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Form **990**

Department of the Treasury

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)

Open to Public

R Ch	eck if applicable	alendar year, or tax year beginning 0 C Name of organization	1-01-2011 and ending 12-31-20	-	D Employer id	lentification number				
	еск іг арріісаріе dress change	Charleston Área Medical Center Inc		[55-05261					
	me change	Doing Business As CAMC			E Telephone n					
_ Init	tial return	Number and street (or P O box if mail i	s not delivered to street address) Room/s	uıte						
	rmınated	PO Box 1547		_	G Gross receipts	s \$ 944,472,963				
_	nended return plication pending	City or town, state or country, and ZIP + Charleston, WV 253261547	- 4							
		F Name and address of princip Larry Hudson	al officer		s this a group return for					
		501 Morris Street		affiliat	es?	⊤Yes ▼ No				
		Charleston, WV 253010000			affiliates inclu					
I Ta	ıx-exempt statu:	5	t no)	1	." attach a lıs exemption n	t (see instructions) umber >				
—— У W	/ebsite: ► wv									
K For	m of organizatio	Trust Association Trust Association Trust	Other 🏲	L Year of form	nation 1971	M State of legal domicile				
			other F	E rear or ron		WV				
Pa		nmary describe the organization's mission o								
Activities & Governance	in all its treatme medica	ion of disease and positive promotions branches and adjunct arts and scient and prevention of disease CAMC center designed to provide care for de convenient and compassionate ca	nces, such as nursing and technic owns and operates three seperate community residents throughout e	al occupations, ly-licensed hos very stage of life	which contrib pitals as a tei e CAMC pati	ute to the diagnosis, rtiary-care academic				
౮ జర										
<u>8</u>		this box 🔰 if the organization disco	·		1	assets				
		of voting members of the governing			3	14				
Q A		of independent voting members of the Umber of individuals employed in cale	5	7,776						
		ımber of volunteers (estimate if nece			6	21:				
	7a Total u	nrelated business revenue from Part	VIII, column (C), line 12		7a	8,062,086				
	b Net unr	elated business taxable income from	Form 990-T, line 34		7b	734,917				
				Prior		Current Year				
ē					1,139,543 887,692,859					
ven	_	stment income (Part VIII, column (A		6,948,634	3,387,772					
æ		r revenue (Part VIII, column (A), line revenue—add lines 8 through 11 (mi		1,427,342	2,406,414					
	1			87		894,626,588				
					1,068,694					
	I	ies, other compensation, employee b								
			J 34	11,447,981	337,876,186					
368	5-10	,	(A) l d.d		0	_				
benses	16a Profe	ssional fundraising fees (Part IX, col			0	C				
Expenses	16a Profe b Total f	, ssional fundraising fees (Part IX, col undraising expenses (Part IX, column (D), lin	e 25) • 0							
Expenses	16a Profeb Total f17 Othe	ssional fundraising fees (Part IX, col	e 25) ►0 s 11a-11d, 11f-24e)	. 50	01,406,264	526,332,209 865,277,089				
	 16a Profe b Total f 17 Othe 18 Total 	, ssional fundraising fees (Part IX, col undraising expenses (Part IX, column (D), lin r expenses (Part IX, column (A), line	e 25) ▶0 s 11a-11d, 11f-24e) qual Part IX, column (A), line 25)	8:	01,406,264	526,332,209				
	 16a Profe b Total f 17 Othe 18 Total 	ssional fundraising fees (Part IX, col undraising expenses (Part IX, column (D), lin r expenses (Part IX, column (A), line expenses Add lines 13–17 (must e	e 25) ▶0 s 11a-11d, 11f-24e) qual Part IX, column (A), line 25)	. 50	01,406,264 52,352,616 22,197,952 of Current	526,332,209 865,277,089				
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Revenue	9 Progr 10 Inves 11 Othe 12 Total 12) 13 Grant 14 Bene	r revenue (Part VIII, column (A), line revenue—add lines 8 through 11 (miles) and similar amounts paid (Part IX, fits paid to or for members (Part IX, controlled).	2g)	. 86	615,798 55,558,794 6,948,634	1,1: 887,6: 3,38 2,4(894,6: 1,06				
Spenses	16a Profe	ssional fundraising fees (Part IX, col			0					
Expenses	16a Profeb Total f17 Othe	, ssional fundraising fees (Part IX, col undraising expenses (Part IX, column (D), lin r expenses (Part IX, column (A), line	e 25) ►0 s 11a-11d, 11f-24e)	. 50	01,406,264	526,332,20				
	 16a Profe b Total f 17 Othe 18 Total 	ssional fundraising fees (Part IX, col undraising expenses (Part IX, column (D), lin r expenses (Part IX, column (A), line expenses Add lines 13–17 (must e	e 25) ▶0 s 11a-11d, 11f-24e) qual Part IX, column (A), line 25)	. 50	01,406,264	526,332,209 865,277,089				
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May the IRS discuss this return with the preparer shown above? (see instructions)

✓ Yes No

1 0111	(2011)					Paye
Par	Check if Schedule O				I	
1	Briefly describe the organiza	atıon's mıssıon	ı			
Striv	ing to provide the best health	care to every	patient, every o	day		
2	Did the organization underta the prior Form 990 or 990-E		ant program se		ar which were not listed on	┌ Yes ┌ No
	If "Yes," describe these new	services on S	chedule O			
3	Did the organization cease c services?	onducting, or r	•	t changes in how it c	onducts, any program	┌ Yes ┌ No
	If "Yes," describe these char	nges on Sched	ule O			
4	Describe the organization's perpenses Section 501(c)(3 grants and allocations to oth) and 501(c)(4) organizations	and section 4947 (a)(1) trusts are required to	report the amount of
4a	(Code) (I	Expenses \$	524,665,589	ıncludıng grants of \$	275,396) (Revenue	\$ 860,761,735)
	care services delivery focuses on	providing a full ra has one of only tw CAMC is the prir chanty care in the 2011 CAMC give	nge of inpatient are to state Level 1 Tre mary medical safet e state There were to back to the com-	nd outpatient services as auma Centers, a Level III ty net provider of women e inpatient days of 209,1: munity because we unde	a tertiary regional referral center Neonatal ICU, a Pediatric ICU, a and children's and trauma servic 18, outpatient visits of 486,751, rstand the impact that high quali	emergency department visits of
4b	(Code) (I	Expenses \$	27,255,552	ıncludıng grants of \$	636,610) (Revenue	\$)
	CAMC has established medical an residents, nurses, anesthetists and CAMC CAMC provided faculty sup distributed 281 scholarships	d other personnel	78 WVU/WVSOM	medical students trained	at CAMC hospitals and 178 med	
4c	(Code) (I	Expenses \$	131,718,906	ıncludıng grants of \$	156,688) (Revenue	\$ 438,069)
	\$39,030,011 and bad debts at co- particularly the needs of the low i	ted 176,585 peop st of \$21,625,068 ncome, elderly, a to identified comi	ole CAMC provided Creative, state-on and other vulnerable munity needs and	d acute inpatient and outpof-the-art programs and so the persons Community be meet at least one of the	patient hospital services including ervices are provided to our comr enefits are programs or activities following community benefit crite	unreimbursed charity care at cost of nunity to serve our community- that provide treatment or promote eria 1) Improves access to health
	O + h = u = u = u = u = u = u = u = u = u =					
4d	Other program services (D (Expenses \$		ledule O) luding grants of	f\$) (Revenue \$)
4-				<u> </u>	, , т	,
4e	Total program service expe	nses F -\$	683,640,04	/		

Part IV	Checklist	of Rea	uired	Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 🕏	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		Νo
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part 1	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II.	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	Yes	
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	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			
а	Did the organization report an amount for land, buildings, and equipment in Part X, line10? If "Yes," complete Schedule D, Part VI.	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.	11b		No
C	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	11c	Yes	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.	11d	Yes	
е	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I	14b		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	15		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III and IV	16		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If</i> "Yes," complete Schedule G, Part I	17		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If</i> "Yes," complete Schedule G, Part II	18		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements	2015	V 6.5	

Par	t IV Checklist of Required Schedules (continued)			
21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II \Box	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,00 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d an complete Schedule K. If "No," go to line 25		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	Yes	
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 we a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? I "Yes," complete Schedule L, Part I	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substant contributor, or a grant selection committee member, or to a person related to such an individual? <i>If</i> "Yes," complete Schedule L, Part III	1al 27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part I instructions for applicable filing thresholds, conditions, and exceptions)	ı v		
	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	Yes	
С	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? If "Yes," complete Schedule L, Part IV	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		No
	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33		No
	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35b	Yes	
	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		No
	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19 Note. All Form 990 filers are required to complete Schedule O	38	Yes	
		F	orm 990	0 (2011)

Form 990 (2011)

Part V Statements Regarding Other IRS Filings and Tax Compliance

	Check if Schedule O contains a response to any question in this Part V	•	. [
			Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable			
	1a 504			
L				
D	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable 1b 0			
_	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			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			
		2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the			
	year?	3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority			_
	over, a financial account in a foreign country (such as a bank account or securities	4-		
	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
ь	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
		JU		
С	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	6a		
Ja	organization solicit any contributions that were not tax deductible?	va		140
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).			
а	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and	7a		No
u	services provided to the payor?	, a		110
ь	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to			
	file Form 8282?	7c		Νo
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d 0			
_				
е	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit			
	contract?	7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		
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.			
а	Did the organization make any taxable distributions under section 4966?	9a		
ь	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	Section 501(c)(7) organizations. Enter			_
	Initiation fees and capital contributions included on Part VIII, line 12 10a			
	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club			
D	facilities			
11	Section 501(c)(12) organizations. Enter			
	1 1			
а	Gross income from members or shareholders			
b	Gross income from other sources (Do not net amounts due or paid to other			
	sources against amounts due or received from them)			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
	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.			
а	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	13a		
	allocated to each state	13d		
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			
	the states in which the organization is needsed to issue qualified health plans			
С	Enter the aggregate amount of reserves on hand 13c			
142	Did the organization receive any payments for indoor tanning services during the tax year?	14a		Νo
∡-7 0	If "Ves " has it filed a Form 720 to report these payments? If "No " provide an explanation in Schedule O	1.4L		-140

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.

Se	ection A. Governing Body and Management					
					Yes	No
		_	_			
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	14			
b	Enter the number of voting members included in line 1a, above, who are independent	1b	9			
2	Did any officer, director, trustee, or key employee have a family relationship or a but other officer, director, trustee, or key employee?			2		No
3	Did the organization delegate control over management duties customarily performe supervision of officers, directors or trustees, or key employees to a management co			3		No
4	Did the organization make any significant changes to its governing documents since filed?	=	•	4		No
5	Did the organization become aware during the year of a significant diversion of the o	rganız	ation's assets? .	5		No
6	Did the organization have members or stockholders?			6	Yes	
7a	elect or appoint one or	7a	Yes			
b	Are any governance decisions of the organization reserved to (or subject to approve or persons other than the governing body?		members, stockholders,	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written activear by the following	ons u	ndertaken during the			
а	The governing body?			8a	Yes	
b	Each committee with authority to act on behalf of the governing body?			8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, organization's mailing address? If "Yes," provide the names and addresses in Sched			9		No
	ection B. Policies (This Section B requests information about policies not	requ	ired by the Internal			
Re	evenue Code.)				Yes	No
10a	Did the organization have local chapters, branches, or affiliates?			10a	165	No
	If "Yes," did the organization have written policies and procedures governing the act					110
_	affiliates, and branches to ensure their operations are consistent with the organization purposes?			10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of it the form?	ts gov	erning body before filing	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review the F	orm 9	90			
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13 .			12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annual			425	V	
_	rise to conflicts?			12b	Yes	
C	In Schedule O how this was done			12c	Yes	
13	Did the organization have a written whistleblower policy?			13	Yes	
14	Did the organization have a written document retention and destruction policy? $\ \ .$			14	Yes	
15	Did the process for determining compensation of the following persons include a revindependent persons, comparability data, and contemporaneous substantiation of the					
а	The organization's CEO, Executive Director, or top management official			15a	Yes	
b	Other officers or key employees of the organization			15b	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)					
16a	Did the organization invest in, contribute assets to, or participate in a joint venture taxable entity during the year?	orsım	ular arrangement with a	16a	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organi					
	participation in joint venture arrangements under applicable federal tax law, and tak organization's exempt status with respect to such arrangements?			16b	Yes	
	ection C. Disclosure					
17	List the States with which a copy of this Form 990 is required to be filed ▶ <u>WV</u>					

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

Own website Another's website V 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 Larry Hudson

501 Morris Street

Charleston, WV 253010000

(304)388-7603

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

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 or	ganization nor any re	lated o	rgan	ızatı	ons	compe	ensat	ted any current or fo	rmer officer, direc	tor, or trustee
(A) Name and Title	(B) A verage hours per week (describe	(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-	(F) Estimated amount of other compensation from the organization and
	hours for related organizations in Schedule O)	Individual trustae or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former		MISC)	related organizations
See Additional Data Table										
				\vdash			_			

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

(A) Name and Title		(B) A verage hours per week (describe hours	unles an	on (d e thar	n one son er ai	e bo ıs b nd a	x, oth)		Rep comp fro organi	(D) cortable censation om the zation (W-	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	,	(F) Estima amount o compens from f organizat relat	ated fother sation the ion and
		for related organizations in Schedule O)	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former			MISC		organiza	
See A	ddıtıonal Data Table											+		
												\top		
												_		
								<u> </u>				+		
												+		
												+		
												1		
1b	Sub-Total				•			•						
c	Total from continuation sheets Total (add lines 1b and 1c) .							<u> </u>		9,137,583		0		1,823,316
2	Total number of individuals (incl	udıng but not lın	nited to	thos	e lıs	ted	above) who	receive	ed more tha	an			
	\$100,000 of reportable compen	sation from the	organiz	ationi	20	ь								
3	Did the organization list any for on line 1a? <i>If</i> " <i>Yes,"</i> complete Sch					ey e	mploy •	ee, d	or highes	st compens	ated employee	3	Yes	No No
4	For any individual listed on line : organization and related organization individual											4	Yes	
5	Did any person listed on line 1a services rendered to the organiz										or individual for •	5		No
Se	ection B. Independent Con	tractors							_					
1	Complete this table for your five \$100,000 of compensation from or within the organization's tax y	the organizatio												
		(A) ne and business add	dress							Desc	(B) ription of services		(C Comper	
Dept . Atlant	ens Medical Solutions AT 40065 a, GA 25304									IT Service &	Support		15	,289,030
3110 Charle	Virginia University MacCorkle SE eston, WV 25304									GME/Physici	an Services		13	,636,712
PO Bo Dallas	ethods ix 676592 5, TX 752676592									Medical Serv	vices		2	,368,845
PO Bo Atlant	orehensive Pharmacy ix 102658 a, GA 303682658									Managemer	it Services		1	,840,058
PO Bo Philad	elphia, PA 191822688									Consultants			1	,644,246
PO Box 822688 Philadelphia, PA 191822688 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 \(\mathbb{F}\)110														

Part v		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
発音	1a	Federated campaigns 1	a				
Contributions, gifts, grants and other similar amounts	b	Membership dues 1b	·				
ું €	c	Fundraising events 10	:				
# (表	d	Related organizations 1d	415,748				
% <u>=</u>	e	Government grants (contributions) 1e	171,792				
등등	l f	All other contributions, gifts, grants, and	552,003				
五百	-	similar amounts not included above					
許る	g	Noncash contributions included in					
52	h	Innes 1a-1f \$ Total. Add lines 1a-1f	▶	1,139,543			
O a	"	Total: Add lines 1a 11		_,,			
e E	_		Business Code				
E e	2a	Patient Revenue	621990	850,357,631	850,357,631		
Æ	Ь	Lab Services	621500	9,308,786		8,012,505	1,296,281
9	С	Pharmacy	446110	7,716,715			7,716,715
er F	d	Cafeteria/Vending	721000	5,550,500			5,550,500
<i>\$</i> 0 ⊆	e	Rental (non residentia	531120	5,050,892	1,524,489		3,526,403
Program Serwce Revenue	f	All other program service revenue		9,708,335	6,484,604	49,581	3,174,150
) န					. ,	, -	, , -
	g	Total. Add lines 2a-2f	+	887,692,859			
	3	Investment income (including divider	. H	4,288,087	427,533		3,860,554
	_ ا	and other similar amounts)	F	4,288,087 553,273	427,533		3,860,554 553,273
	4	Income from investment of tax-exempt bond		867			867
	5	Royalties	·	007			007
	6a	(1) Real	(II) Personal				
	ь	Less rental					
	"	expenses					
	C	Rental income or (loss)					
	d	Net rental income or (loss)	•				
		(ı) Securities	(II) Other				
	7a	Gross amount 47,266,656 from sales of	1,126,131				
		assets other					
	ь	than inventory Less cost or 46,794,143	3,052,232				
		other basis and sales expenses					
	c	Gain or (loss) 472,513	-1,926,101				
	d	Net gain or (loss)		-1,453,588			-1,453,588
ine	8a	Gross income from fundraising events (not including					
Other Revenue		of contributions reported on line 1c) See Part IV, line 18					
ie.	ь	Less direct expenses b	,				
ᅙ	c	Net income or (loss) from fundraising					
	9a	Gross income from gaming activities See Part IV, line 19					
	Ь	Less direct expenses b					
	c	Net income or (loss) from gaming act					
	10a	Gross sales of inventory, less returns and allowances .					
	b c	Less cost of goods sold b Net income or (loss) from sales of inv	ventory •				
		Miscellaneous Revenue	Business Code				
	11a	Affiliate Transfers	541610	859,033	859,033		
	ь	Laundry	812300	833,205	833,205		
		<u> </u>	721110	437,738	437,738		
	C	Medical Center Inn	,21110	275,571	275,571		
	d	All other revenue		2/3,3/1	2/3,3/1		
	е 12	Total. Add lines 11a-11d Total revenue. See Instructions .	▶ .	2,405,547			
	**	iotai ievenue. See Instructions .		894,626,588	861,199,804	8,062,086	24,225,155

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

C	heck if Schedule O contains a response to any question in this Part IX	<u></u>		<u> </u>	
	ot include amounts reported on lines 6b, o, 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	693,334	693,334		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	375,360	375,360		
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	12,016,325	101,854	11,914,471	
6	Compensation not included above, to disqualified persons (as defined under section $4958(f)(1)$) and persons described in section $4958(c)(3)(B)$	1,185,236	446,213	739,023	
7	Other salaries and wages	250,407,053	212,332,785	38,074,268	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,134,479	5,827,048	1,307,431	
9	Other employee benefits	48,598,958	39,884,324	8,714,634	
10	Payroll taxes	18,534,135	15,068,437	3,465,698	
11	Fees for services (non-employees)				
a	Management	1,512,916	1,317,606	195,310	
b	Legal	2,897,446		2,897,446	
С	Accounting	479,808		479,808	
d	Lobbying	102,265		102,265	
е	Professional fundraising See Part IV, line 17				
f	Investment management fees	862,484		862,484	
g	Other	62,768,234	38,291,431	24,476,803	
12	Advertising and promotion	1,403,289	89,850	1,313,439	
13	Office expenses	170,352,098	165,690,803	4,661,295	_
14	Information technology	8,360,405	430,625	7,929,780	
15	Royalties				
16	Occupancy	18,139,955	12,065,008	6,074,947	
17	Travel	1,719,853	1,215,539	504,314	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	564,298	287,919	276,379	
20	Interest	14,598,432		14,598,432	
21	Payments to affiliates	27,056,124	27,056,124		
22	Depreciation, depletion, and amortization	35,565,384	16,779,557	18,785,827	
23	Insurance	9,360,074	16,216	9,343,858	
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	Prov For Uncollectible	63,270,371	61,734,333	1,536,038	0
b	Charity Allowance	60,444,147	60,444,147	0	0
С	Provider Tax	17,904,979	17,904,979	0	0
d	Preventative Maintenanc	8,493,800	1,314,385	7,179,415	0
e					
f	All other expenses	20,475,847	4,272,170	16,203,677	
25	Total functional expenses. Add lines 1 through 24f	865,277,089	683,640,047	181,637,042	0
26	Joint costs. Check here ► ☐ If following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				rm 990 (2011)

Pa	rt X	Balance Sheet						
						(A) Beginning of year		(B) End of year
	1	Cash—non-interest-bearing				33,736	1	38,897
	2	Savings and temporary cash investments $\ . \ . \ . \ . \ . \ .$				104,204,140	2	112,557,282
	3	Pledges and grants receivable, net					3	
	4	Accounts receivable, net				108,974,107	4	121,033,479
	5	Receivables from current and former officers, directors, trustee highest compensated employees Complete Part II of	s, key	er er	nployees, and			
		Schedule L					5	
	6	Receivables from other disqualified persons (as defined under spersons described in section $4958(c)(3)(B)$ Complete Part II		n 4	958(f)(1)) and			
76		Schedule L					6	
ets	7	Notes and loans receivable, net				91,562	7	1,697,529
Assets	8	Inventories for sale or use				14,125,910	8	16,374,675
	9	Prepaid expenses and deferred charges				7,171,928	9	4,698,753
	10a	Land, buildings, and equipment cost or other basis <i>Complete Part VI of Schedule D</i>	10a		837,759,756			
	b	Less accumulated depreciation	10b		570,408,036	271,195,719	10 c	267,351,720
	11	Investments—publicly traded securities					11	_
	12	Investments—other securities See Part IV, line 11		20,919,842	12	20,663,276		
	13	Investments—program-related See Part IV, line 11		41,634,841	13	42,284,436		
	14	Intangible assets			14	5,877,267		
	15	Other assets See Part IV, line 11				96,622,092	15	102,118,231
	16	Total assets. Add lines 1 through 15 (must equal line 34) .				664,973,877	16	694,695,545
	17	Accounts payable and accrued expenses .				105,915,710	17	114,156,647
	18	Grants payable			18			
	19	Deferred revenue	10,396,783	19	9,293,323			
	20	Tax-exempt bond liabilities		302,088,734	20	299,343,331		
10	21	Escrow or custodial account liability Complete Part IV of Schedu	le D			-50,833	21	164,187
abilities	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified						
abi		persons Complete Part II of Schedule L					22	
	23	Secured mortgages and notes payable to unrelated third parties	5.			15,544,643	23	12,328,654
	24	Unsecured notes and loans payable to unrelated third parties				9,470,595	24	10,187,840
	25	Other liabilities (including federal income tax, payables to relat and other liabilities not included on lines 17-24) Complete Pai				40 507 570		54.040.005
		D				43,567,573	25	54,948,865
	26	Total liabilities. Add lines 17 through 25				486,933,205	26	500,422,847
Balances		Organizations that follow SFAS 117, check here ► ✓ and complete through 29, and lines 33 and 34.	plete I	line	es 2/			
lar	27	Unrestricted net assets				149,918,809	27	166,598,333
8	28	Temporarily restricted net assets				17,238,584	28	16,552,813
nd	29	Permanently restricted net assets				10,883,279	29	11,121,552
F		Organizations that do not follow SFAS 117, check here ► □ a	nd con	npl	ete			
or Fund		lines 30 through 34.						
	30	Capital stock or trust principal, or current funds					30	
Assets	31	Paid-in or capital surplus, or land, building or equipment fund		•			31	
	32	Retained earnings, endowment, accumulated income, or other for	unds				32	
Net	33	Total net assets or fund balances				178,040,672	33	194,272,698
	34	Total liabilities and net assets/fund balances				664,973,877	34	694,695,545

Ра	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)	<u>,</u>		894.6	526,588
2	Total expenses (must equal Part IX, column (A), line 25)	2			277,089
3	Revenue less expenses Subtract line 2 from line 1	3		29,3	349,499
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4		178,0	040,672
5	Other changes in net assets or fund balances (explain in Schedule O)	5		-13,1	17,473
6		6		194,2	272,698
Par	t XII Financial Statements and Reporting				
	Check if Schedule O contains a response to any question in this Part XII	•	•	<u>_</u>	
		_		Yes	No
1	Accounting method used to prepare the Form 990				
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a		No
b	Were the organization's financial statements audited by an independent accountant?	[2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	e •	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were iss on a separate basis, consolidated basis, or both Separate basis Both consolidated and separated basis	sued			
За	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the recaudit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	quired	3b		

OMB No 1545-0047

Inspection

SCHEDULE A

(Form 990 or 990EZ)

Name of the organization

Charleston Area Medical Center Inc

Department of the Treasury Internal Revenue Service

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

Public Charity Status and Public Support

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

Employer identification number

								55-0526			
Part			Public Charity Sta		_		•		ınstructıoı	ns	
he org			vate foundation becaus								
1	<u> </u>	church, conve	ntion of churches, or a	ssociation o	of churches	section 170(b)(1)(A)(i)).			
2	Γ А	school describ	oed in section 170(b)(1	L)(A)(ii). (A	ttach Sche	dule E)					
3	V A	hospital or a c	ooperative hospital se	rvice organ	ızatıon deso	cribed in secti	on 170(b)(:	1)(A)(iii).			
4			rch organization operat , city, and state	ted in conju	nction with	a hospital des	scribed in s	ection 170(b)	(1)(A)(iii)	.Enter the	
5		=	operated for the benefi	_	e or univers	sity owned or	operated by	/ a governmei	ntal unit de	scribed in	
6					atal unit doc	cribad in cad	tion 170(h).	(1)(4)(4)			
7	_	A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v). An organization that normally receives a substantial part of its support from a governmental unit or from the general public									
,	d	escribed in	1)(A)(vi) (Complete P		iai pait oi it	s support nor	ii a goveriiii	nental unit of	nom the ge	епетат рив	ic
8	Г А	community tru	ıst described in sectior	170(b)(1)	(A)(vi) (C	omplete Part 1	II)				
9 10 11 f	re it an A O O O O O O O O O O O O O O O O O O	eceipts from acts support from cquired by the in organization in organization ne or more public between Type I by checking this ther than found ection 509(a)(for the organization for the ck this box ince August 17 billowing person who	s box, I certify that the ation managers and otl 2) on received a written do 7, 2006, has the organi	xempt funct me and unre 30, 1975 d exclusivel d exclusivel ations desc orting orga I c organizatio her than one eterminatio	elated busing See section y to test for the been ribed in second Type I must not correct or more prompted any grapher alone or the correct or	ness taxable in 1509(a)(2). (der public safety enefit of, to pertion 509(a)(der public safety enefit of tomplete line it rolled direct ublicly supported to the safety enefit or contributed to together with the safety enefit or contributed together with the safety energy ener	exceptions, ncome (less Complete P / See sectio rform the full) or section es 11e throally integrated organized	and (2) no mes section 511 art III) on 509(a)(4). nctions of, or n 509(a)(2) sough 11h artions described if your or ations described yof the	to carry out to ca	31/3% of businesse at the purp of 509(a)(3) The state of the purp	oses of). Check ther sons)(1) or
											+
	_	-	nber of a person descri			h			<u> </u>	1g(ii)	+
h			rolled entity of a perso wing information about						[1.	lg(iii)	
su	(i) ame of pporte anization	e of (ii) (described on lines 1 - 9 above ation or IRC section		Is the organization organization of the column of the colu	(iv) Is the organization in col (i) listed in your governing document?) otify the tion in f your ort?	(vi Is t organiza col (i) or in the l	he ition in ganized	Am	(vii) ount of pport?
			(see instructions))	Yes	No	Yes	No	Yes	No		
ot al											

instructions

Sch	edule A (Form 990 or 99	90-EZ)2011						Page 2
	(Complet	e only if you	checked the	box on line 5,	7, or 8 of Part	(b)(1)(A)(iv) I or if the orgar	nızatıon faıle	d to qualify
			<u>organızatıon f</u>	fails to qualify ι	<u>under the tests</u>	listed below, pl	<u>lease comple</u>	ete Part III.)
	ection A. Public Su					Т	1	
Cal	endar year (or fiscal ye in)	ar beginning	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1	Gifts, grants, contribut	ions, and						
	membership fees recei							
	ınclude any "unusual							
_	grants ") Tax revenues levied fo	rtho						
2	organization's benefit a							
	paid to or expended on							
	behalf							
3	The value of services of							
	furnished by a governme the organization withou							
4	Total. Add lines 1 thro	_						
5	The portion of total cor	-						
-	by each person (other	than a						
	governmental unit or p	•						
	supported organization line 1 that exceeds 2%							
	amount shown on line 1							
	(f)	21,0014						
6	Public Support. Subtractine 4	ct line 5 from						
S	ection B. Total Sup	port						
Cal	endar year (or fiscal yea	r beginning	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
_	ın)	_	(4) 2007	(2) 2000	(4) 2005	(4) 2020	(0) 2022	(1) 1 3 4 4
7 8	A mounts from line 4 Gross income from inte	rost –						
0	dividends, payments re							
	securities loans, rents							
	and income from simila	ır						
_	sources							
9	Net income from unrela business activities, wh							
	not the business is reg							
	carried on							
10	Other income (Explain							
	IV) Do not include gai from the sale of capital							
11	Total support (Add line							
	through 10)							
12	Gross receipts from re	lated activities	s, etc (See inst	ructions)			12	
13	First Five Years If the		r the organizati	on's first, second	l, thırd, fourth, or	fıfth tax year as a	501(c)(3) or	
	check this box and sto	p here						▶ □
S	ection C. Computat	ion of Publ	ic Support F	Percentage				
14	Public Support Percen	tage for 2011	(line 6 column	(f) dıvıded by lıne	11 column (f))		14	
15	Public Support Percen	tage for 2010	Schedule A , Pa	rt II, line 14			15	
16a	33 1/3% support test-					line 14 is 33 1/3%	% or more, che	
h	and stop here. The org 33 1/3% support test					6a and line 15 is	33 1/20% or m	ore check this
D	box and stop here. The					oa, and inte 15 IS	1/3%0 UI M	ore, check this
17a	10%-facts-and-circum	-	•		-	ne 13, 16a, or 16	b and line 14	٠,
	ıs 10% or more, and ıf							
	in Part IV how the orga	anızatıon meet	s the "facts and	d circumstances"	test The organiz	zatıon qualıfıes as	a publicly su	
b	organization 10%-facts-and-circum	stances test—	2010. If the ora	anization did not	check a hov on li	ne 13, 16a 16b	or 17a and lin	▶
,	15 is 10% or more, an							-
	Explain in Part IV how	the organizati						
10	supported organization Private Foundation If t		n did not chools	a hov on line 12	16a 16h 17a a	or 17h chack this	hov and coc	► □

▶□

Schedule A (Form 990 or 990-EZ) 2011 Page 3 Part III Support Schedule for Organizations Described in IRC 509(a)(2) (Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.) Section A. Public Support Calendar year (or fiscal year beginning (a) 2007 **(b)** 2008 (c) 2009 (d) 2010 (e) 2011 (f) Total ın) Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ") 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 Gross receipts from activities that are not an unrelated trade or business under section 513 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf The value of services or facilities furnished by a governmental unit to the organization without charge Total. Add lines 1 through 5 7a Amounts included on lines 1, 2, and 3 received from disqualified persons 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 Public Support (Subtract line 7c from line 6) Section B. Total Support Calendar year (or fiscal year beginning (a) 2007 **(b)** 2008 (c) 2009 (d) 2010 (e) 2011 (f) Total ın) Amounts from line 6 Gross income from interest, 10a dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 Add lines 10a and 10b C Net income from unrelated 11 business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) Total support (Add lines 9, 10c, 13 11 and 12) 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 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f)) 15 15 Public support percentage from 2010 Schedule A, Part III, line 15 16 16 Section D. Computation of Investment Income Percentage

Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))

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

18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

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

more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

Investment income percentage from 2010 Schedule A, Part III, line 17

17

18

17

18

▶[

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 A (Form 990 or 990-EZ) 2011

Software ID: Software Version:

EIN: 55-0526150

Name: Charleston Area Medical Center Inc

Form 990, Special Condition Description:

Special Condition Description

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

(A) Name and Title	(B) Average hours per		(tion that a					(D) Reportable compensation from the	(E) Reportable compensation from related	(F) Estimated amount of other compensation	
	week	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	organization (W- 2/1099-MISC)	organizations (W- 2/1099- MISC)	from the organization and related organizations	
David L Ramsey President, CEO & Trustee	50 00	х		х				934,889	0	178,365	
Nelle Ratrie Chilton Trustee	2 50	Х						0	0	0	
Carol A Egnatoff Trustee	2 50	Х						0	0	0	
James P Griffith MD Trustee	2 50	Х						0	0	0	
R Thomas Bowden III DO Trustee	2 50	Х						0	0	0	
John R Hoblitzell Esq Chairman of the Board	2 50	Х		х				0	0	0	
Charles L Capito Jr Trustee	2 50	Х						0	0	0	
William R McDavid Esq Trustee	2 50	Х						0	0	0	
Thomas E Potter Esq Trustee	2 50	Х						0	0	0	
Linda J Powers Trustee	2 50	Х						0	0	0	
Karen S Price Trustee	2 50	Х						0	0	0	
Asıf Rahman MD Trustee	2 50	Х						10,000	0	0	
William A Rice Jr Vice Chairman of Board	2 50	Х		Х				0	0	0	
Mark A Chandler Trustee	2 50	×						0	0	0	
Edwin H Welch Ph D Trustee	2 50	Х						0	0	0	
John A Willis MD Trustee	2 50	Х						61,507	0	0	
Larry C Hudson Executive VP & CFO	50 00			х				570,523	0	89,058	
Glenn Crotty Jr MD Executive VP & COO	50 00			х				577,559	0	79,215	
Marshall A McMullen Jr Secretary & Gen Counsel	50 00			х				323,519	0	207,019	
Mıchael D Williams VP Administrator	50 00			Х				303,731	0	140,569	
S Andrew Weber VP Administrator	50 00			х				254,476	0	90,597	
Stephen Z Bell VP Finance	50 00			х				245,041	0	125,460	
Robert D Whitler VP Gov't & Comm Affairs	50 00			Х				212,629	0	33,520	
Beth A Samples VP Human Resources	50 00			х				1,094,566	0	48,333	
Lynn Y Brookshire VP Info Sys & CIO	50 00			x				286,549	0	170,306	

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

(A) Name and Title	(B) Average hours		(tion that a			II		(D) Reportable compensation	(E) Reportable compensation	(F) Estimated amount of other
	per week	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	from the organization (W- 2/1099-MISC)	from related organizations (W- 2/1099- MISC)	compensation from the organization and related organizations
Elizabeth Spangler MD VP Medical Affairs	50 00			х				383,089	0	37,003
Ronald E Moore VP Prof Prac & CNO	50 00			х				238,713	0	150,964
Robert B Danielson VP Compliance	50 00			х				186,873	0	52,425
Dale R Wood VP System Improv & CQO	50 00			х				330,982	0	169,344
Jeffrey H Goode VP Ambulatory Services	50 00			х				247,485	0	77,440
Jeff Oskın VP Admınıstrator	50 00			х				207,851	0	26,132
James P Tierney DO Urological Surgeon	40 00					х		900,117	0	10,200
Daniel L Smith Physician	40 00					х		502,831	0	37,218
Leon Ronen Physician	40 00					Х		455,653	0	35,458
Mark K Stephens Physician	40 00					Х		454,604	0	35,396
Robert J Crisalli Intensivist	40 00					х		354,396	0	29,294

DLN: 93493318012512

OMB No 1545-0047

Political Campaign and Lobbying Activities

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527 ► Complete if the organization is described below. ► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

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

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

Provide a description of the organization's direct and indirect political campaign activities on behalf of or

◆ Section 527 organizations Complete Part I-A only

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

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

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

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

Name	of the	organı	zation
Charlest	ton Are	a Medica	I Center 1

Employer identification number

☐ Yes

55-0526150

Part I-A	Complete if the org	janization is exem	pt under section 501	L(c) or is a section	527 org	ganization.
----------	---------------------	--------------------	----------------------	-----	-------------------	---------	-------------

- in opposition to candidates for public office in Part IV Political expenditures
- 3 Volunteer hours

art I-B	Complete if	the organ	<u>ization is (</u>	<u>exempt under</u>	section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955
- Enter the amount of any excise tax incurred by organization managers under section 4955
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?
- Was a correction made?

If "Yes," describe in Part IV

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

- Enter the amount directly expended by the filing organization for section 527 exempt function activities
- Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b
- Did the filing organization file Form 1120-POL for this year? ┌ Yes
- Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a

separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

f Grassroots lobbying expenditures

(The term "expenditures" means amounts paid or incurred.) Lia Total lobbying expenditures to influence public opinion (grass roots lobbying) b Total lobbying expenditures to influence a legislative body (direct lobbying) c Total lobbying expenditures (add lines 1a and 1b) d Other exempt purpose expenditures e Total exempt purpose expenditures (add lines 1c and 1d) f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: The lobbying nontaxable amount is: Not over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 over \$1,000,000 but not over \$1,000,000 \$1,000,000 g Grassroots nontaxable amount (enter 25% of line 1f) Subtract line 1g from line 1a If zero or less, enter -0- i Subtract line 1f from line 1c If zero or less, enter -0- j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.)	ווטפ	edule C (F	01111 9 9 0 01 9 9 0 - EZ) 2 0 1 1					Page ∠
A Check If the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member expenses, and share of excess lobbying expenditures) Check If the filing organization checked box A and "limited control" provisions apply Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) Organization Total Incurred (The term "expenditures" means amounts paid or incurred.) Organization Total Incurred (The term "expenditures to influence a legislative body (direct lobbying)	Pa	rt II-A		n is exempt under	section 501(c)(3) and fi	iled Form 5768	(election
expenses, and share of excess lobbying expenditures) Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) Limits on Lobbying Expenditures (The term "expenditures to influence public opinion (grass roots lobbying) Lobbying expenditures to influence a legislative body (direct lobbying) Total lobbying expenditures (add lines 1a and 1b) Other exempt purpose expenditures Total obtaining purpose expenditures (add lines 1c and 1d) Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: If the amount on line 1e, column (a) or (b) is: If the amount on line 1e, column (a) or (b) is: Not over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 S1,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000 but not over \$1,500,000 S1,000 but not over \$1,500,000 Over \$1,0	١	Check		an affiliated group (and	lıst ın Part IV ea	ch affiliated gr	oup member's nam	e, address, EIN,
Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) Total lobbying expenditures to influence public opinion (grass roots lobbying) Total lobbying expenditures (add lines 1 aand 1b) Other exempt purpose expenditures (add lines 1 aand 1b) Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line Le, column (a) or (b) is: If the amount on line Le, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S10,000,000 Over \$1,000,000 but not over \$1,000,000 S10,000,000 Fig. Soon over \$1,000,000 Fig. Soon ov			expenses, and share of excess lob	bying expenditures)		_	•	
Total lobbying expenditures to influence public opinion (grass roots lobbying) b Total lobbying expenditures to influence a legislative body (direct lobbying) c Total lobbying expenditures (add lines 1a and 1b) d Other exempt purpose expenditures e Total exempt purpose expenditures (add lines 1c and 1d) f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Diver \$500,000 Diver \$500,000 Diver \$500,000 but not over \$1,000,000 Diver \$1,000,000 but not over \$1,000,0	3	Check	ıf the filing organization checked bo	ox A and "limited contro	ol" provisions app	ly	1	1
(The term "expenditures" means amounts paid or incurred.) Ital Total lobbying expenditures to influence public opinion (grass roots lobbying) b Total lobbying expenditures (add lines 1a and 1b) d Other exempt purpose expenditures e Total exempt purpose expenditures (add lines 1c and 1d) f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: The lobbying nontaxable amount is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S1225,000 plus 10% of the excess over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S1225,000 plus 10% of the excess over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S1200,000 plus 10% of the excess over \$1,500,000 Over \$1,000,000 but not over \$1,000,000 S1200,000 plus 10% of the excess over \$1,500,000 Over \$1,000,000 but not over \$1,000,000 S1200,000 plus 10% of the excess over \$1,500,000 Over \$1,000,000 but not over \$1,000,000 S1200,000 plus 10% of the excess over \$1,500,000 Over \$1,000,000 but not over \$1,000,000 S1200,000 plus 10% of the excess over \$1,500,000 Over \$1,000,000 but not over \$1,000,000 S1200,000 plus 10% of the excess over \$1,500,000 Over \$1,000,000 but not over \$1,000,000 S1200,000 plus 10% of the excess over \$1,500,000 Over \$1,000,000 but not over \$1,000,000 S1200,000 plus 10% of the excess over \$1,500,000 Over \$1,000,000 but not over \$1,000,000 S1200,000 plus 10% of the excess over \$1,500,000 Over \$1,000,000 but not over \$1,000,000 S1200,000 plus 10% of the excess over \$1,500,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but			Limits on Lobbying	Expenditures			(a) Filing	(b) Affiliated
Total lobbying expenditures to influence public opinion (grass roots lobbying) b Total lobbying expenditures (add lines 1a and 1b) d Other exempt purpose expenditures Total exempt purpose expenditures (add lines 1c and 1d) f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: The lobbying nontaxable amount is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S175,000 plus 15% of the excess over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S100,000 plus 15% of the excess over \$1,000,000 Over \$1,000,000 Over \$1,000,000 Over \$1,000,000 The lobbying nontaxable amount is: Not over \$500,000 Over \$1,000,000 Over \$1,000,00					l.)		Organization's Totals	Group Totals
b Total lobbying expenditures to influence a legislative body (direct lobbying) c Total lobbying expenditures (add lines 1a and 1b) d Other exempt purpose expenditures e Total exempt purpose expenditures (add lines 1c and 1d) f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,7000,000 Over \$1,000,000 but not over \$1,7000,000 S225,000 plus 15% of the excess over \$1,000,000 Over \$1,7000,000 Over \$1,7000,000 F17,000,000 S225,000 plus 5% of the excess over \$1,500,000 Over \$1,7000,000 F17,000,000 S1,000,000 F17,000,000 F17,000,		-			1 \		100013	1 ocars
c Total lobbying expenditures (add lines 1a and 1b) d Other exempt purpose expenditures e Total exempt purpose expenditures (add lines 1c and 1d) f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 In the excess over \$1,000,000 F1,000,000 F1,000,0				· -				
d O ther exempt purpose expenditures Total exempt purpose expenditures (add lines 1c and 1d) Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: The lobbying nontaxable amount is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000					ying)			
Total exempt purpose expenditures (add lines 1c and 1d) Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is:			,	b)				
f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$17,000,000 but not over \$1,7000,000 Over \$17,000,000 but not over \$17,000,000 S225,000 plus 10% of the excess over \$1,000,000 Over \$17,000,000 Over \$17,000,000 Over \$17,000,000 S225,000 plus 5% of the excess over \$1,000,000 Over \$17,000,000 Over \$17,000,000 S1,000,000 S1,000,0	d	Otherexe	empt purpose expenditures					
Columns If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$500,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,7000,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,000,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 Over \$1,500,000 S1,000,000	e	Total exe	mpt purpose expenditures (add lines 1	.c and 1d)				
Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,7000,000 Over \$1,500,000 but not over \$1,7000,000 Over \$1,500,000 but not over \$1,000,000 Over \$1,500,000 but not over \$1,000,000 S225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 S1,000,000 Grassroots nontaxable amount (enter 25% of line 1f) Subtract line 1g from line 1a If zero or less, enter -0- Subtract line 1f from line 1c If zero or less, enter -0- If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying celling amount	f		nontaxable amount Enter the amount					
Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,000,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,00		If the an	ount on line 1e, column (a) or (b) is:	The lobbying nontax	able amount is:			
Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Section \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 g Grassroots nontaxable amount (enter 25% of line 1f) h Subtract line 1g from line 1a If zero or less, enter -0- i Subtract line 1ffrom line 1c If zero or less, enter -0- j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 2a Lobbying ceiling amount		Not over \$5	500,000	20% of the amount on lii	ne 1e			
Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,00		Over \$500,	000 but not over \$1,000,000	\$100,000 plus 15% of the	e excess over \$500,0	000		
g Grassroots nontaxable amount (enter 25% of line 1f) h Subtract line 1g from line 1a If zero or less, enter -0- i Subtract line 1f from line 1c If zero or less, enter -0- j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying celling amount		Over \$1,00	0,000 but not over \$1,500,000	\$175,000 plus 10% of the	e excess over \$1,000	,000		
g Grassroots nontaxable amount (enter 25% of line 1f) h Subtract line 1g from line 1a If zero or less, enter -0- i Subtract line 1ffrom line 1c If zero or less, enter -0- j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying non-taxable amount		Over \$1,50	0,000 but not over \$17,000,000	\$225,000 plus 5% of the	excess over \$1,500,	000		
h Subtract line 1g from line 1a If zero or less, enter -0- i Subtract line 1f from line 1c If zero or less, enter -0- j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 2a Lobbying ceiling amount		Over \$17,0	00,000	\$1,000,000				
h Subtract line 1g from line 1a If zero or less, enter -0- i Subtract line 1f from line 1c If zero or less, enter -0- j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 2a Lobbying ceiling amount								
i Subtract line 1f from line 1c If zero or less, enter -0- j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying non-taxable amount		Grassroo	ts nontaxable amount (enter 25% of li	ne 1f)				
i Subtract line 1f from line 1c If zero or less, enter -0- j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying non-taxable amount	h	Subtract	line 1a from line 1a If zero or less. en	ter -0 -				
Jection 4911 tax for this year? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying ceiling amount								
4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete al columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying non-taxable amount					organization file	Form 4720 re	portina	
(Some organizations that made a section 501(h) election do not have to complete al columns below. See the instructions for lines 2a through 2f on page 4.) Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying non-taxable amount							F - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	┌ Yes ┌ No
Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 2009 Lobbying non-taxable amount		(Sor	ne organizations that made a	section 501(h) el	ection do not	have to co		ne five
beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 2a Lobbying non-taxable amount b Lobbying ceiling amount			Lobbying Exp	enditures During	4-Year Avera	ging Period	d	
b Lobbying ceiling amount				(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
	2a	Lobbyin	g non-taxable amount					
	b							
c Total lobbying expenditures	c	Total loi	obying expenditures					
d Grassroots non-taxable amount	d	Grassro	ots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))	e							

		·	
Part II-B	Complete if the organ	ization is exempt under section 501(c)(3) and has NOT filed Form 576	8
	(election under section	on 501(h)).	

	,	(6	a)	(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
а	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?	Yes		5,808
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		158,96
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		1,25
j	Total lines 1c through 1i			166,026
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
С	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			
Par	\mathbf{t} IIII-A. Complete if the organization is exempt under section $501(c)(4)$, section	n 501(c	1(5). 0	r section

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

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

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

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

Part IV Supplemental Information

Dues, assessments and similar amounts from members

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

Identifier	Return Reference	Explanation
Explanation of Lobbying Activities	, in the second	Legislative Dinner \$1,257 Occasionally, individuals are asked by legislators for opinions on certain issues and the process of health-related legislation. There are periodic meetings and communications between CAMC representatives and legislative officials concerning health issues, usually in a general manner, rather than for or against any specific bill perse.

1 1

DLN: 93493318012512

OMB No 1545-0047

Open to Public Inspection

SCHEDULE D

(Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

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

	or the organization ston Area Medical Center Inc			Emp	oyer identifica	ition numbe	er
				_	526150		
art				unds (or Accounts	. Complet	e if the
	organization answered "Yes" to Form 9		advised funds		b) Funds and o	ther accoun	ntc
т	otal number at end of year	(a) Dollor	auviseu iulius	<u> </u>) i ulius aliu c	other accoun	111.5
	ggregate contributions to (during year)						
	ggregate grants from (during year)						
	ggregate value at end of year						
	ıd the organızatıon ınform all donors and donor adv ınds are the organızatıon's property, subject to the			nor advı	sed	☐ Yes	┌ No
u	ıd the organızatıon ınform all grantees, donors, anı sed only for charıtable purposes and not for the be onferrıng ımpermıssıble prıvate benefit					┌ Yes	┌ No
	Conservation Easements. Complete	e if the organization	n answered "Yes" t	o Forn	n 990, Part I\	/, line 7.	
Г Г С	urpose(s) of conservation easements held by the of Preservation of land for public use (e.g., recreate Protection of natural habitate Preservation of open space omplete lines 2a-2d if the organization held a qua	tion or pleasure)	Preservation of ar Preservation of a	certified	l historic struc		a
е	asement on the last day of the tax year						
_				_	Held at the	End of the	Year
	otal number of conservation easements			2a			
	otal acreage restricted by conservation easement			2b			
Ν	umber of conservation easements on a certified hi	istoric structure incl	uded ın (a)	2c			
Ν	umber of conservation easements included in (c)	acquired after 8/17/	06	2d			
t	umber of conservation easements modified, transfine taxable year 🛌				e organization	auring	
Ν	umber of states where property subject to conserv	vation easement is l	ocated 🗠				
	oes the organization have a written policy regardii nforcement of the conservation easements it holds		oring, inspection, han	dling of	violations, and	┌ Yes	┌ No
S	taff and volunteer hours devoted to monitoring, ins	specting and enforcing	ng conservation easem	nents di	ırıng the year l	<u> </u>	
Д	mount of expenses incurred in monitoring, inspect	ting, and enforcing co	onservation easement	s durino	the year		
	- \$	3,		•	,		
С	oes each conservation easement reported on line 70(h)(4)(B)(i) and 170(h)(4)(B)(ii)?	2(d) above satisfy t	ne requirements of sec	ction		┌ Yes	┌ No
b	n Part XIV, describe how the organization reports of alance sheet, and include, if applicable, the text of the organization's accounting for conservation ease	f the footnote to the (
rt :	Organizations Maintaining Collecti Complete if the organization answered			or Oth	ner Similar	Assets.	
а	the organization elected, as permitted under SFA rt, historical treasures, or other similar assets hel rovide, in Part XIV, the text of the footnote to its fi	d for public exhibitio	n, education or resear	ch in fui			-
h	the organization elected, as permitted under SFA istorical treasures, or other similar assets held for rovide the following amounts relating to these item	r public exhibition, e					
(Revenues included in Form 990, Part VIII, line	1			- \$		
	ii) Assets included in Form 990, Part X				<u></u>		_
	the organization received or held works of art, his	torical treasures or	other similar assets fo	or finan	ral dain provi		
fo	llowing amounts required to be reported under SFA			or miall		ac tile	
R	evenues included in Form 990, Part VIII, line 1				► \$		

Assets included in Form 990, Part X

Part	•••• Organizations Maintaining Co	llections of Art,	His	torica	al Treas	sures, or Ot	<u>her Similar As</u> :	sets (c	ontinued)
3	Using the organization's accession and othe items (check all that apply)	r records, check any	of th	e follov	wing that	are a significar	it use of its collect	ion	
а	Public exhibition		d	Γι	oan or e	xchange progra	ms		
b	Scholarly research		e	Γ	Other				
С	Preservation for future generations								
4	Provide a description of the organization's co	ollections and explai	n how	vthev f	further th	e organization's	exempt purpose u	า	
•	Part XIV	onections and explai		· circy i	dicirci cii	e organization :	exempe purpose in		
5	During the year, did the organization solicity assets to be sold to raise funds rather than t							– Yes	┌ No
Par	t IV Escrow and Custodial Arrang Part IV, line 9, or reported an ar					ion answered	"Yes" to Form 9	90,	
1a	Is the organization an agent, trustee, custoo included on Form 990, Part X?	lian or other interme	dıary	for cor	ntribution	s or other asse		_ Yes	✓ No
b	If "Yes," explain the arrangement in Part XI	/ and complete the f	ollow	ıng tab	le	_	<u> </u>		
						<u> </u>		ount	
С	Beginning balance						.c		
d	Additions during the year						d		
е	Distributions during the year						.e		
f	Ending balance					_1	.f		
2a	Did the organization include an amount on Fe	orm 990, Part X, line	21?				ſ	✓ Yes	∏ No
	If "Yes," explain the arrangement in Part XI\								
Pa	rt V Endowment Funds. Complete								
1_	Parinning of ware balance	(a)Current Year 28,121,864	(b)	Prior Ye	ar (c 31,594)Two Years Back 20,516,626	(d)Three Years Back 26,766,284		rears Back
1a	Beginning of year balance	637,036			55,051	1,047,818			
Ь	Contributions	· ·							
c	Investment earnings or losses	-192,637		2,98	30,879	3,812,540	-5,868,928		
d	Grants or scholarships	000 222		7.	10.400	211 551	1 260 215		
е	Other expenditures for facilities and programs	888,233		/.	10,409	311,551	1,268,215		
f	Administrative expenses	3,665			15,251	33,839	18,684		
g	End of year balance	27,674,365		28,12	21,864	25,031,594	20,516,626		
2	Provide the estimated percentage of the year	r end balance held a	s						
а	Board designated or quasi-endowment								
ь	Permanent endowment 41 000 %								
c	Term endowment ► 59 000 %								
3a	Are there endowment funds not in the posse	ssion of the organiza	ition t	hat are	e held and	d administered	for the		
	organization by							Yes	No
	(i) unrelated organizations						3a(-	No
	(ii) related organizations						3a(i	i) Yes	<u> </u>
	If "Yes" to 3a(II), are the related organizatio	•					3b	Yes	
4	Describe in Part XIV the intended uses of th								
Par	t VI Land, Buildings, and Equipme	ent. See Form 990	0, Pa	rt X, I	<u>ıne 10.</u>	<u> </u>		1	
	Description of property				st or other nvestment		er (c) Accumulated depreciation	(d) Bo	ok value
1a	_and					20,151,6	69	2	0,151,669
b i	Buildings		.			309,298,5	25 188,789,913	12	0,508,612
c I	_easehold improvements		.			6,868,9	43 4,427,979		2,440,964
d I	Equipment		.			480,798,9	11 371,697,160	10	9,101,751
e (Other		.			20,641,7	08 5,492,984	1	5,148,724
	I. Add lines 1a-1e <i>(Column (d) should equal Fo</i>	orm 990, Part X, colum	nn (B),	, line 1	0(c).) .				7,351,720
	,		. //				Schedule D		

Part VII Investments—Other Securities. See	Form 990, Part X, line 12.	
(a) Description of security or category	(b)Book value	(c) Method of valuation
(including name of security)		Cost or end-of-year market value
(1)Financial derivatives		
(2)Closely-held equity interests Other		
Other		
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)	•	
Part VIII Investments—Program Related. Se	e Form 990, Part X, line 1	3.
(a) Description of investment type	(b) Book value	(c) Method of valuation
(a) Description of Investment type	(b) Book value	Cost or end-of-year market value
(1) Malpractice Fund	2,747,830	
(2) Malpractice Fund	26,106,905	
(3) Recruitment/Student Loan	5,810,432	
(4) Workers Comp Self Insured Fund	54,709	
(5) RC Byrd Teaching Ctr Fund	7,107	
(6) Investments Other	122,598	
(7) Affiliate Receivables	7,434,855	
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)	42,284,436	
Part IX Other Assets. See Form 990, Part X, II	· ·	
(a) Descri		(b) Book value
(1) Trustee Funds		5,764,2
(2) Interest in Net Assets CAMC Foundation		27,514,3
(3) Bond Funds		47,277,6
(4) Bond Collateral		17,290,0
(5) Deferred Bond Costs		4,000,6
(6) Investments other		271,2
		·
Total. (Column (b) should equal Form 990, Part X, col.(B) line	15.)	102,118,2
Part X Other Liabilities. See Form 990, Part	X, line 25.	
1 (a) Description of Liability	(b) A mount	
Federal Income Taxes		
Federal Income Taxes	190,097	
Estimated Malpractice Claims	22,360,000	
Estimated Worker's Comp Claims	1,802,045	
Affiliate Payables	12,101,008	
Settlements Due to 3rd Parties	3,881,328	
Estimated Retiree Health	3,742,603	
Umbrella Trust & SERP	10,871,784	
Simpleme Frede & SERI	10,071,704	
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	E4 040 065	
Total. (Column (b) Should Equal Form 990, Part X, COI (b) line 25)	54,948,865	

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	
Par	TXII Reconciliation of Revenue per Audited Financial Statements With Revenue p	er Re	turn
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		
а	Net unrealized gains on investments		
b	Donated services and use of facilities		
c	Recoveries of prior year grants		
d	Other (Describe in Part XIV)		
е	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	A mounts included on Form 990, Part VIII, line 12, but not on line 1		
а	Investment expenses not included on Form 990, Part VIII, line 7b . 4a		
b	Other (Describe in Part XIV)		
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	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		
b	Prior year adjustments		
c	Other losses		
d	Other (Describe in Part XIV)		
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:		
а	Investment expenses not included on Form 990, Part VIII, line 7b 4a		
b	Other (Describe in Part XIV)		
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	
	rt XIV Supplemental Information		
Con	nplete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, P $lpha$	art IV , I	ines 1b and 2b,

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

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 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
	Part IV, Line 2b	CAMC operates HealthCare Financial Services, which provides collections services to outside clients. Payments that are recovered by the collection department include both the commission portion and the amount due to the outside client. The amount listed in Part X Line 21 reflects the amount CAMC transmitted to the client.
Description of Intended Use of Endowment Funds	Part V, Line 4	To further the mission of the organization
Description of Uncertain Tax Positions Under FIN 48	Part X	Part X, Line 2 CAMC's financial statements are audited as part of the audit of the financial statements of CAMC Health System, Inc and Subsidiaries (collectively, the "System") Language regarding ASC 740 (FIN 48) included in the consolidated footnotes is as follows "CAMC, the Foundation, the Institute and CAMC Teays, are exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code (the "Code") and applicable state statutes, but are subject to unrelated business income tax A provision of \$135,000 has been made in the accompanying consolidated financial statements for the year ended December 31, 2011, for estimated unrelated business income tax The System does not have any material uncertain tax positions at December 31, 2011

OMB No 1545-0047

Open to Public **Inspection**

SCHEDULE H (Form 990)

Department of the Treasury Internal Revenue Service

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

Hospitals

Name of the organization Charleston Area Medical Center Inc **Employer identification number**

					55-	0526150		
P	art I Charity Care and	l Certain C	ther Comr	nunity Benefits at	: Cost			
							Yes	No
1 a	Did the organization have a c	harity care p	olicy? If "No,	" skip to question 6a		<u>1</u> a	Yes	
b	If "Yes," is it a written policy	[?]				<u>1</u> b	Yes	
2	If the organization had multip care policy to the various hos		ındıcate whic	h of the following best	describes application (of the charity		
	Applied uniformly to all ho	ospitals		Applied uniformly	to most hospitals			
	Generally tailored to indiv	-	ıls	,	·			
3	Answer the following based o organization's patients during			y criteria that applies t	o the largest number o	of the		
а	Did the organization use Fede If "Yes," indicate which of the					are?	Yes	
		▽ 20	оо% Г	Other	<u>%</u>			
ь	Did the organization use FPG	to determine	eligibility for	r providing <i>discounted</i> c	are? If			
	"Yes," indicate which of the f					3b	Yes	
	▽ 200% □ 250%		00% —	·	_		163	
	! 200%	I 30	00% I	350%	0% Cher_	<u>%</u>		
С	If the organization did not us determining eligibility for free test or other threshold, regar	or discounte	d care Inclu	de in the description w	hether the organizatior			
4	Did the organization's policy	provide free	or discounted	care to the "medically	ındıgent"?	4	Yes	
5a		mounts for fr	ee or discour		_		Yes	
b	If "Yes," did the organization	's charity car	e expenses e	exceed the budgeted an	nount?	5b		
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?							No	
6a							Yes	-110
6b	If "Yes," did the organization	•	•	,		· · · · · 6a		
	Complete the following table worksheets with the Schedule	using the wor					103	
7	Charity Care and Certain C	ther Commu	nıtv Benefits	at Cost				<u> </u>
	Charity Care and Means-Tested	(a) Number of activities or programs		(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benef expense		cent of xpense
_	Government Programs Charity care at cost (from	(optional)						
а	Worksheet 1)			39,030,011		39,030,01	4	510 %
b	Medicaid (from Worksheet 3, column a)			136,653,834	90,885,000	45,768,83	5	290 %
С	Costs of other means-tested government programs (from Worksheet 3, column b)			3,770,799	1,478,366	2,292,43	0	260 %
d	Total Charity Care and Means-Tested Government Programs			179,454,644	92,363,366	87,091,27	3 10	060 %
e	Other Benefits Community health improvement services and community benefit operations (from							
f	(Worksheet 4)			3,051,730	9,190	3,042,54	0	350 %
g	(from Worksheet 5) Subsidized health services			36,583,806	6,907,468	29,676,33	3	430 %
y h	(from Worksheet 6) Research (from Worksheet 7)			689,244	555,796	133,44	0	020 %
i	Cash and in-kind contributions for community benefit (from Worksheet 8)			151,760		151,76) 0	020 %
j	Total Other Benefits			40,476,540	7,472,454	33,004,08		820 %
k	Total. Add lines 7d and 7j			219,931,184	99,835,820	120,095,36	_	880 %

	rt II Community Buildir	aa Astivitis	a Complete t	bis table if the o	raanizat	100.00	adu ete	d any commun	.		age z
Ра	rt II Community Buildir activities.	ig Activitie	s Complete t	nis table if the o	rganizat	ion cor	iaucte	a any commur	iity t	oullain	g
		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense		rect offse revenue	etting	(e) Net communit building expense		(f) Perco	
1	Physical improvements and housing	, ,									0 %
2	Economic development										0 %
3	Community support			69,1	01			69	,101	0	010 %
4	Environmental improvements			·							0 %
5	Leadership development and training										
6	for community members Coalition building										0 %
7	Community health improvement										0 70
	Workforce development			-) F				EUE		0 %
9	Other			149,6	95 26		30,648	118,	595 .978	0	0 % 010 %
10	Total			219,3			30,648		,674	0	020 %
Par	t IIII Bad Debt, Medicar	e, & Collec	tion Practic	es							
Sect	ion A. Bad Debt Expense									Yes	No
1	Did the organization report bac	•	e ın accordance	with Heathcare Fi	nancıal M	anagen	nent As	ssociation		1	
2	Statement No 15? Enter the amount of the organi					 2	•	61 724 222	1	1	No
2 3	Enter the amount of the organi		•					61,734,333			
	patients eligible under the orga	anızatıon's ch	arıty care policy	y		3		34,818,164			
4	Provide in Part VI the text of t In addition, describe the costi rationale for including a portion	ng methodolog	gy used in deter	rmining the amount							
Sect	ion B. Medicare										
5	Enter total revenue received fr	om Medicare	(ıncludıng DSH	and IME)		5		255,437,475			
6	Enter Medicare allowable cost					6		297,168,328			
7 8	Subtract line 6 from line 5 Thi Describe in Part VI the extent Also describe in Part VI the co Check the box that describes	to which any osting method	shortfall reporte	ed in line 7 should	be treate						
	Cost accounting system		st to charge rat	tio F	- O ther						
Sect	ion C. Collection Practices		_								
9a	Did the organization have a wr	ıtten debt coll	ection policy du	ırıng the tax year?					9a	Yes	
b	If "Yes," did the organization's contain provisions on the colle assistance? Describe in Part \	ection practice	es to be followed	d for patients who a	ire known	to qual	ify for t	inancial	9b	Yes	
Pa	rt IV Management Com	panies and	Joint Ventu	res (see instruc							
	(a) Name of entity	(t	Description of pr activity of entity		(c) Organi profit % c ownersh	r stock	eı) Officers, directors, trustees, or key mployees' profit % stock ownership%	pro	e) Physic ofit % or ownershi	stock
	General Division Medical Office Building ership	Medical Office s	pace rental		-	79 330 %	_	0 %		20 6	70 %
	Women & Children's Medical Office ing Partnership	Medical Office s	pace rental			88 510 %		0 %		11 4	90 %
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
4.		1					1		1		

Part	V Facility Information									
Section	on A. Hospital Facilities	Licensi	Genera	Childre	Teachi	Critical	Resear	ER-24 houre	ER-other	
(list in	order of size from largest to smallest)	Licensed hospital	General medical &	Children's hospital	Teaching hospital	access	Research facility	hours	Ę	
	nany hospital facilities did the organization operate during x year?3	ytal	al & surgical	ptal)tal	Ortical access hospital	ity			
Name	and address									Other (Describe)
1	CAMC Memorial Hospital 3200 MacCorkle Avenue Charleston, WV 253040000	×	х		х			х		
2	CAMC General Hospital 501 Morris Street Charleston, WV 253010000	x	х		Х			х		
3	CAMC Women and Children's Hospital 800 Pennsylvania Avenue Charleston, WV 253025302	x	х	х	х			х		
		-								
		+								
		-								
		+								
		+								

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)

CAMC MEMORIAL HOSPITAL

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

		Yes	No	
Col	mmunity Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment			
	("Needs Assessment")? If "No," skip to question 8	1		
	If "Yes," indicate what the Needs Assessment describes (check all that apply)			
	a A definition of the community served by the hospital facility			
	b Demographics of the community			
	Existing health care facilities and resources within the community that are available to respond to the health			
	needs of the community			
	d How data was obtained			
	e The health needs of the community			
	Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and			
	minority groups			
	The process for identifying and prioritizing community health needs and services to meet those needs			
	h The process for consulting with persons representing the community's interests			
	i Information gaps that limit the hospital facility's ability to assess the community's health needs			
	j Cother (describe in Part VI)			
	Indicate the tax year the hospital facility last conducted a Needs Assessment 20			
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who			
	represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the			
	other hospital facilities in Part VI	4		
5	Did the hospital facility make its Needs Assessment widely available to the public?	5		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
	a Hospital facility's website			
	b Available upon request from the hospital facility			
	c Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
	a Adoption of an implementation strategy to address the health needs of the hospital facility's community			
	b Execution of the implementation strategy			
	c Development of a community-wide community benefit plan for the facility			
	d Participation in community-wide community benefit plan			
	e Inclusion of a community benefit section in operational plans			
	f Adoption of a budget for provision of services that address the needs identified in the CHNA			
	Prioritization of health needs in the community			
	h Prioritization of services that the hospital facility will undertake to meet health needs in its community			
	i Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No,"			
	explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Fin	ancial Assistance Policy			
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
8	Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for free care 200 00000000000000%			
	If "No," explain in Part VI the criteria the hospital facility used			

Pa	art V Facility Information (continued)			
			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a 🔽 Income level			
	b ▼ Asset level			
	c Medical indigency			
	d Insurance status			
	e V Uninsured discount			
	f ▼ Medicaid/Medicare			
	g State regulation			
	h Cother (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	13	162	
	a			
	b The policy was attached to all billing invoices			
	The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	<u> </u>			
	d The policy was posted in the hospital facility's admissions offices			
	The policy was provided, in writing, to patients upon admission to the hospital facility			
	The policy was available upon request			
	g 🔽 Other (describe in Part VI)			
	ling and Collections Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial			
1-7	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 Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	<u>-</u>			
	d Body attachments or arrests			
16	e V Other similar actions (describe in Part VI)			
10	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		Νo
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	d Body attachments			
	e Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all			
	that apply)			
	a Notified patients of the financial assistance policy upon admission			
	b Notified patients of the financial assistance policy prior to discharge			
	c Notified patients of the financial assistance policy in communications with the patients regarding the patients'			
	bills			
	d Documented its determination of whether patients were eligible for financial assistance under the hospital			
	facility's financial assistance policy Other (describe in Part VI)			
	- 1 - 5 m.s. (deponds in the first	I	1	

If "Yes," explain in Part VI

provided to that patient?

.

20

21

Νo

Νo

Part V Facility Information (continued) Policy Relating to Emergency Medical Care Yes 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 **18** | Yes If "No," indicate why a ☐ The hospital facility did not provide care for any emergency medical conditions **b** The hospital facility's policy was not in writing The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI **d** Other (describe in Part VI) Individuals Eligible for Financial Assistance 19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAPeligible individuals for emergency or other medically necessary care The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged b The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged d Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services

If "Yes," explain in Part VI Schedule H (Form 990) 2011

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)

CAMC GENERAL HOSPITAL

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

			Yes	No
Co	mmunity Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
	If "Yes," indicate what the Needs Assessment describes (check all that apply)			
	a A definition of the community served by the hospital facility			
	b Demographics of the community			
	Existing health care facilities and resources within the community that are available to respond to the health			
	needs of the community			
	d			
	e The health needs of the community			
	Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and			
	minority groups			
	g The process for identifying and prioritizing community health needs and services to meet those needs			
	h The process for consulting with persons representing the community's interests			
	${f i}$ ${f \Gamma}$ Information gaps that limit the hospital facility's ability to assess the community's health needs			
	j			
2	Indicate the tax year the hospital facility last conducted a Needs Assessment 20			
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who			
	represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the			
-	other hospital facilities in Part VI	4		
5	Did the hospital facility make its Needs Assessment widely available to the public?	5		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
	a Hospital facility's website			
	b Available upon request from the hospital facility			
	c			
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
	a 「 Adoption of an implementation strategy to address the health needs of the hospital facility's community			
	b Execution of the implementation strategy			
	c Development of a community-wide community benefit plan for the facility			
	d Participation in community-wide community benefit plan			
	e 「 Inclusion of a community benefit section in operational plans			
	f Adoption of a budget for provision of services that address the needs identified in the CHNA			
	g Prioritization of health needs in the community			
	h Prioritization of services that the hospital facility will undertake to meet health needs in its community			
	i Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No,"			
	explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Fir	ancial Assistance Policy			
_	Did the hospital facility have in place during the tax year a written financial assistance policy that			
	Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for free care 200 0000000000000% If "No," explain in Part VI the criteria the hospital facility used			
	Schedule	u /Ear	aan'	2011

Pa	art V Facility Information (continued)			
			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a 🔽 Income level			
	b ▼ Asset level			
	c Medical indigency			
	d Insurance status			
	e V Uninsured discount			
	f ▼ Medicaid/Medicare			
	g State regulation			
	h Cother (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	13	162	
	a ✓ The policy was posted at all times on the hospital facility's web site			
	b The policy was attached to all billing invoices			
	The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	<u> </u>			
	d The policy was posted in the hospital facility's admissions offices			
	The policy was provided, in writing, to patients upon admission to the hospital facility			
	The policy was available upon request			
	g 🔽 Other (describe in Part VI)			
	ling and Collections Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial			
1-7	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 Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	<u>-</u>			
	d Body attachments or arrests			
16	e V Other similar actions (describe in Part VI)			
10	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		Νo
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	d Body attachments			
	e Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all			
	that apply)			
	a Notified patients of the financial assistance policy upon admission			
	b Notified patients of the financial assistance policy prior to discharge			
	c Notified patients of the financial assistance policy in communications with the patients regarding the patients'			
	bills			
	d Documented its determination of whether patients were eligible for financial assistance under the hospital			
	facility's financial assistance policy Other (describe in Part VI)			
	- 1 - 5 m.s. (deponds in the first	I	1	

If "Yes," explain in Part VI

provided to that patient?

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Part V Facility Information (continued) Policy Relating to Emergency Medical Care Yes 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 **18** | Yes If "No," indicate why a ☐ The hospital facility did not provide care for any emergency medical conditions **b** The hospital facility's policy was not in writing The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI **d** Other (describe in Part VI) Individuals Eligible for Financial Assistance 19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAPeligible individuals for emergency or other medically necessary care The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged b The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged d Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services

If "Yes," explain in Part VI Schedule H (Form 990) 2011

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)

CAMC WOMEN AND CHILDREN'S HOSPITAL

Name of Hospital Facility:	
Line Number of Hospital Facility (from Schedule H, Part V, Section A):_	3

		Yes	No	
Col	mmunity Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment			
	("Needs Assessment")? If "No," skip to question 8	1		
	If "Yes," indicate what the Needs Assessment describes (check all that apply)			
	a A definition of the community served by the hospital facility			
	b Demographics of the community			
	Existing health care facilities and resources within the community that are available to respond to the health			
	needs of the community			
	d How data was obtained			
	e The health needs of the community			
	Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and			
	minority groups			
	The process for identifying and prioritizing community health needs and services to meet those needs			
	h The process for consulting with persons representing the community's interests			
	i Information gaps that limit the hospital facility's ability to assess the community's health needs			
	j Cother (describe in Part VI)			
	Indicate the tax year the hospital facility last conducted a Needs Assessment 20			
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who			
	represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the			
	other hospital facilities in Part VI	4		
5	Did the hospital facility make its Needs Assessment widely available to the public?	5		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
	a Hospital facility's website			
	b Available upon request from the hospital facility			
	c Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
	a Adoption of an implementation strategy to address the health needs of the hospital facility's community			
	b Execution of the implementation strategy			
	c Development of a community-wide community benefit plan for the facility			
	d Participation in community-wide community benefit plan			
	e Inclusion of a community benefit section in operational plans			
	f Adoption of a budget for provision of services that address the needs identified in the CHNA			
	Prioritization of health needs in the community			
	h Prioritization of services that the hospital facility will undertake to meet health needs in its community			
	i Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No,"			
	explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Fin	ancial Assistance Policy			
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
8	Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for free care 200 00000000000000%			
	If "No," explain in Part VI the criteria the hospital facility used			

Pa	art V Facility Information (continued)			
			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a 🔽 Income level			
	b ▼ Asset level			
	c Medical indigency			
	d Insurance status			
	e V Uninsured discount			
	f ▼ Medicaid/Medicare			
	g State regulation			
	h Cother (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Vac	
	Included measures to publicize the policy within the community served by the hospital facility?	12	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	13	Yes	
	a ✓ The policy was posted at all times on the hospital facility's web site			
	b The policy was attached to all billing invoices			
	The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	<u> </u>			
	d The policy was posted in the hospital facility's admissions offices			
	The policy was provided, in writing, to patients upon admission to the hospital facility			
	The policy was available upon request			
	g 🔽 Other (describe in Part VI)			
	ling and Collections Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial			
1-7	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 Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	<u>-</u>			
	d Body attachments or arrests			
16	e V Other similar actions (describe in Part VI)			
10	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	d Body attachments			
	e Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all			
	that apply)			
	a Notified patients of the financial assistance policy upon admission			
	b Notified patients of the financial assistance policy prior to discharge			
	c Notified patients of the financial assistance policy in communications with the patients regarding the patients'			
	bills			
	d Documented its determination of whether patients were eligible for financial assistance under the hospital			
	facility's financial assistance policy Other (describe in Part VI)			
	e i o the lacetine in late vi	1		1

If "Yes," explain in Part VI

provided to that patient?

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Part V Facility Information (continued) Policy Relating to Emergency Medical Care Yes 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 **18** | Yes If "No," indicate why a ☐ The hospital facility did not provide care for any emergency medical conditions **b** The hospital facility's policy was not in writing The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI **d** Other (describe in Part VI) Individuals Eligible for Financial Assistance 19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAPeligible individuals for emergency or other medically necessary care The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged b The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged d Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services

If "Yes," explain in Part VI Schedule H (Form 990) 2011

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)

Hov	ow many non-hospital facilities did the organization operate during the tax year? 10		
Nan	ne and address	Type of Facility (Describe)	
1	SVI Laboratory Services	Laboratory Services	
	3004 Chesterfield		
	Charleston, WV 25304		
2	CAMC Imaging Center (Kanawha City Locati	Outpatient Imaging Center	
	3416 MacCorkle Ave SE		
	Charleston, WV 25304		
3	CAMC Imaging Center (Trace Fork Location	Outpatient Imaging Center	
	60 RHL Boulevard		
	South Charleston, WV 25309		
4	CAMC Urgent Care Center	Urgent Care Facility	
	314 Goff Mountain Road Suite 3		
	Cross Lanes, WV 25313		
5	CAMC Phys Therapy & Sport Med Center	Rehabilitation Facility	
	200 Tracy Way	· · · · · · · · · · · · · · · · · · ·	
	Charleston, WV 253111258		
5	CAMC Wound Healing Center	Wound Healing Center	
	600 Morris Street Suite 103		
	Charleston, WV 25301		
7	CAMC Ambulatory Infusion Center	Ambulatory Infusion Center	
	3100 MacCorkle Ave Suite 101		
	Charleston, WV 25304		
8	CAMC Weight Loss Center	Weight Loss Center	
	3100 MacCorkle Ave Suite 202		
	Charleston, WV 25304		
9	CAMC Occupational Lung Center	Occupational Lung Center	
	600 Morris Street Suite 100		
	Charleston, WV 25301		
10	Cardiac Imaging Center	Cardiac Imaging Services	
	2335 Chesterfield Avenue		
	Charleston, WV 253041066		

Part VI Supplemental Information

Complete this part to provide the following information

- Required descriptions. Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part III, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1₁, 3, 4, 5c, 6₁, 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
- 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
- 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.)
- 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 7 Utilized Worksheet 2 to determine cost-to- charge ratio

Identifier	ReturnReference	Explanation
		Part II Community-building activites include programs and services that address root causes of health problems Examples include CAMC's membership in the Partners in Health Network, Inc ("Partners"), members of which comprise a network of mostly small and rural hospitals, clinics and health departments who work together to address quality and educational needs for improving care management, assistance with NCQA accreditation for patient centered medical homes and improved quality through addressing sepsis. Access to health care for 5,000 working uninsured individuals in central and southern West Virginia is provided through Partners'. Community Access Program Additionally, CAMC provides students enrolled in post-secondary education with related onthe-job training that is required for their graduation. Health Fairs for the community focusing on adults and children provide screening and health information to identify and address health issues.

Identifier	ReturnReference	Explanation
		Part III, Line 4 There is no footnote describing bad debt, however, private pay accounts and amounts for deductibles and co-insurance that are deemed uncollectable that do not appear to meet the charity care guidelines, are written off as bad debt expense and appear as a deduction from patient service revenue in the audited financial statements. To estimate the amount of the bad debt expense attributable to patients eligible under the charity care policy, one month of actual bad debt written off was reviewed. Sixty percent of this was for uninsured patients. A sample of 100 of the uninsured patients from the month was taken and entered into a credit worthy calculator to determine that 94% of the patients met the income eligibility guidelines under the charity care policy.

Identifier	ReturnReference	Explanation
		Part III, Line 8 CAMC treats any government reimbursement that is insufficient to cover allocated costs as being a community benefit CAMC chooses to serve the community by participating in the Medicare program and accepting Medicaid reimbursement

Identifier	ReturnReference	Explanation
		Part III, Line 9b CAMC's collection policy makes provisions for patients who qualify for charity care or financial assistance Patients who receive charity assistance must meet the following requirements income at 200% or less of Federal poverty income and resource guidelines, insufficient assets to pay for the care, and not eligible for any public programs Patients without third-party coverage who do not qualify for charity are given a 20% discount from charges (which is greater than any commercial discount) In addition to charity and uninsured discounts, CAMC provides assistance with payment plans, government programs, and an Employee Assistance Program

Identifier	ReturnReference	Explanation
CAMC MEMORIAL HOSPITAL		Part V, Section B, Line 13g A summary of the policy is provided to patients on admission, attached to billing invoices, and posted in areas of service

Identifier	ReturnReference	Explanation
CAMC GENERAL HOSPITAL		Part V, Section B, Line 13g A summary of the policy is provided to patients on admission, attached to billing invoices, and posted in areas of service

Identifier	ReturnReference	Explanation
CAMC WOMEN AND CHILDREN'S HOSPITAL		Part V, Section B, Line 13g A summary of the policy is provided to patients on admission, attached to billing invoices, and posted in areas of service

Identifier	ReturnReference	Explanation
CAMC MEMORIAL HOSPITAL		Part V, Section B, Line 15e None of these actions are taken without first making a reasonable effort to determine eligibility

Identifier	ReturnReference	Explanation
CAMC GENERAL HOSPITAL		Part V, Section B, Line 15e None of these actions are taken without first making a reasonable effort to determine eligibility

Identifier	ReturnReference	Explanation
CAMC WOMEN AND CHILDREN'S HOSPITAL		Part V , Section B , Line 15e None of these actions are taken without first making a reasonable effort to determine eligibility

Identifier	ReturnReference	Explanation	
CAMC MEMORIAL HOSPITAL		Part V, Section B, Line 19d Patients who qualify for charity care are given a 100% discount If a patient does not qualify for charity care but is uninsured, a 20% discount from billed charges is given, which is greater than the lowest negotiated commercial insurance discount	

Identifier	ReturnReference	Explanation	
CAMC GENERAL HOSPITAL		Part V, Section B, Line 19d Patients who qualify for charity care are given a 100% discount If a patient does not qualify for charity care but is uninsured, a 20% discount from billed charges is given, which is greater than the lowest negotiated commercial insurance discount	

Identifier	ReturnReference	Explanation
CAMC WOMEN AND CHILDREN'S HOSPITAL		Part V, Section B, Line 19d Patients who qualify for charity care are given a 100% discount If a patient does not qualify for charity care but is uninsured, a 20% discount from billed charges is given, which is greater than the lowest negotiated commercial insurance discount

Identifier	ReturnReference	Explanation		
		Part VI, Line 2 CAMC is an active sponsor of the community health survey completed every three years by the Kanawha Coalition for Community Health Improvement. This random telephone survey of Kanawha County residents provides information from our community on community health issues that is used in a county-wide open Community Forum to establish the top three health issues the community will address over the next three years. CAMC conducted its fifth triennial community health needs assessment through Kanawha Coalition for Community Health Improvement during 2011 CAMC participates on the Coalition's Steering Committee and oversees the Community Work Groups as they address these priority issues. Additionally, since 2006 the Kanawha Coalition for Community Health Improvement has been the coordinating body for addressing youth risks and interventions in Kanawha county.		

Identifier	ReturnReference	Explanation		
		Part VI, Line 3 CAMC 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 CAMC's charity care policy during the registration process. Brochures are available at each registration point with contact information and phone numbers for our Financial Counselors. CAMC Financial Counselors are located in each Emergency Department and Admitting area. During registration, if a patient is uninsured, they may be referred to a Financial Counselor who provides education about Charity Care, Medicaid Eligibility and Federal Disability. WV state employees are also on site at each hospital to accept and process. Medicaid applications and notify patients if they qualify.		

Identifier	ReturnReference	Explanation		
		Part VI, Line 4 CAMCs community and primary area of focus is Kanawha County Putnam, Boone, Fayette, Logan, Braxton, Jackson, Lincoln, Raleigh, Clay, Nicholas and Roane Counties are secondary service areas to CAMC Kanawha County constitutes a population of 198,762 with a median age of 42 and household median income of 36,541 CAMC provides, alone and in collaboration, with others, a wide-ranging array of community benefit services designed to improve community health and the health of individuals, and to increase access to health care This includes providing free and discounted services to people who are uninsured and underinsured		

Identifier	ReturnReference	Explanation
		Part VI, Line 5 CAMC's governing board is its Board of Trustees, which is a predominately volunteer community board comprised of prominent civic leaders. A minority of board members are hospital administrators, physicians or others professionally connected to the hospital Admission to the medical staff is open to all qualified physicians in the area, consistent with the size and nature of the facility. Each CAMC hospital operates a full-time emergency room open to everyone, regardless of ability to pay. CAMC serves a broad crosssection of the community through research or charity care. CAMC applies any surplus funds toward improving facilities, equipment, patient care, medical training, research and education. CAMC's community-building activities promote the health of the community through workforce development activities including educational and health care career presentations for youth, under-employed adults and those changing careers, and by providing work experiences for students enrolled in post-secondary programs with work-based
		experience needed for graduation CAMC also provides community support through all-terrain vehicle ("ATV") safety education

I dentifier	ReturnReference	Explanation		
Identifier	ReturnReference	Part VI, Line 6 CAMC Health Education and Research Institute, Inc ("CHERI"), a sister company to CAMC, is actively engaged in clinical trials and has active research protocols in oncology, cardiology/cardiovascular medicine, internal medicine and medicine subspecialties, behavioral health community medicine, pediatrics, nursing and trauma/pain The majority of this research is conducted at CAMC hospitals and in collaboration with CAMC CHERI also manages CAMC's residency program and other educational programs conducted at CAMC's hospital facilities Charleston Area Medical Center Foundation, Inc 's ("the Foundation") mission is to support and promote CAMC's delivery of excellent and compassionate health services, and its contribution to the quality of life and economic vitality of the region, through accepting donations and raising funds Integrated Health Care Providers, Inc , a sister company to CAMC, operates physician practices to meet CAMC's needs to speciality physicians to maintain adequate coverage for emergency and trauma services CAMC Teays Valley Hospital, Inc , a sister company to CAMC, is a 68 bed rural hospital in Putnam County, WV and provides acute and emergency services to its community as well as community benefit to the residents in its county CAMC's governing board is its Board of Trustees, which is a predominantly volunteer, community board comprised of prominent civic leaders A minority of board members hospital administrators, physicians or others professionally connected to the hospital Admission to medical staff is open to all qualified physicians in the area, consistent with the size and nature of the facility Each CAMC hospital operates a full-time emergency room open to everyone, regardless of ability to pay CAMC serves a broad cross-section of the community through research or charity care CAMC applies any surplus funds		
		toward improving facilities, equipment, patient care, medical training, research and education		
-		Schodulo H /Form 000) 2011		

Identifier	ReturnReference	Explanation
Reports Filed With States	Part VI, Line 7	WV

Schedule I (Form 990)

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

OMB No 1545-0047

2011

DLN: 93493318012512

Open to Public Inspection

Department of the Treasury Internal Revenue Service Name of the organization

Charleston Area Medical Center Inc

(a) Name and address of

organization

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

Attach to Form 990

Employer identification number

55-0526150

(g) Description of

non-cash assistance

Part I	General	Information	on Grants	and Assistance
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(b) EIN

(h) Purpose of grant

or assistance

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

(c) IRC Code section

ıf applıcable

(d) Amount of cash

grant

(e) A mount of non-

cash

(f) Method of

valuation

(book, FMV, appraisal or government assistance other) (1) University of Charleston 55-0357039 501(c)(3) 261,250 0 Nursing and Pharmacy Program 2300 MacCorkle Avenue SE Charleston, WV Support 253040000 (2) WV Health Right Inc. 31-1066881 501(c)(3) 238,839 General Program 1520 Washington Street Support Charleston, WV 253110000 (3) Ronald McDonald House 55-0631080 501(c)(3) 12,013 General Program Support Charities of Southern West Virginia Inc302 30th St SE Charleston, WV 253040000 (4) Coalition to Protect 52-2253225 501(c)(3) 10,000 General Program America's HealthcareP O Support Box 30211 Bethesda, MD 208240211 (5) The Gabriel Project of 31-1504147 501(c)(3) 6,000 General Program West Virginia IncP O Box Support 4663 Charleston, WV 253640000 (6) Fund for the Arts803 55-0614854 501(c)(3) 11,500 General Program Quarrier Street 100 Support Charleston, WV 253010000 (7) Clay Center for the Arts 55-0702471 501(c)(3) 8,000 General Program One Clay Square Support Charleston, WV 253010000

Enter total number of section 501(c)(3) and government 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) A mount of cash grant	(d)A mount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) Nursing Scholarships	70	156,075			
(2) Allied Health Scholarships	31	60,975			
(3) Medical Scholarships	6	25,975			
(4) Employee Dependent Scholarships	27	32,645			
(5) Employee Scholarships	147	99,690			

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 US		Schedule I, Part I, Line 2 CAMC provides nursing, allied health and medical student scholarships funded by the Foundation An application portfolio is submitted by the candidate and reviewed and scored anonymously by the Foundation's Nursing Allied Health and Medical Student Scholarship committee co-chairs for subsequent scholarship award by the committee CAMC provides employee and employee dependent scholarships. Candidates submit an application and required materials an a committee reviews applications based on scholarship guidelines and criteria and awards scholarships. Scholarship payments are submitted directly to the college or university on behalf of the recipient. CAMC provides support to the University of Charleston ("UC") nursing program and pharmacy school program. UC is a nonprofit, tax-exempt organization. UC provided CAMC with an acknowledgement letter along with a giving history report. CAMC provides assistance to various community programs which are reviewed by the Civic Affairs Council for award or at the discretion of the Chief Executive Officer.

Compensation Information

DLN: 93493318012512

Employer identification number

OMB No 1545-0047

Schedule J (Form 990)

Department of the Treasury Internal Revenue Service

Name of the organization

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.

Open to Public Inspection

Cha	meston Area Medical Center Inc	55-0526150			
Pa	rt I Questions Regarding Compensation	,			
				Yes	Νo
1a	Check the appropriate box(es) if the organization provides 990, Part VII, Section A, line 1a Complete Part III to	ded any of the following to or for a person listed in Form o provide any relevant information regarding these items			
	First-class or charter travel	Housing allowance or residence for personal use			
	Travel for companions	Payments for business use of personal residence			
	Tax idemnification and gross-up payments	Health or social club dues or initiation fees			
	Discretionary spending account	Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organ reimbursement orprovision of all the expenses describe		1b		
2	Did the organization require substantiation prior to rein officers, directors, trustees, and the CEO/Executive Di		2		
3	Indicate which, if any, of the following the organization organization's CEO/Executive Director Check all that Compensation committee				
	☐ Independent compensation consultant	Compensation survey or study			
	Form 990 of other organizations	Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Par or a related organization	rt VII, Section A, line $f 1a$ with respect to the filing organization			
а	Receive a severance payment or change-of-control pa	yment?	4a		No
b	Participate in, or receive payment from, a supplementa	ıl nonqualıfıed retırement plan?	4b	Yes	
c	Participate in, or receive payment from, an equity-base	ed compensation arrangement?	4c		Νo
	If "Yes" to any of lines 4a-c, list the persons and provi	de 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, lin compensation contingent on the revenues of	e 1a, did the organization pay or accrue any			
а	The organization?		5a		Νo
b	Any related organization?		5b		Νo
	If "Yes," to line 5a or 5b, describe in Part III				
6	For persons listed in form 990, Part VII, Section A, lin compensation contingent on the net earnings of	e 1a, did the organization pay or accrue any			
а	The organization?		6a		Νo
b	Any related organization?		6b		Νo
	If "Yes," to line 6a or 6b, describe in Part III				
7	For persons listed in Form 990, Part VII, Section A, lir payments not described in lines 5 and 6? If "Yes," des		7		No
8	Were any amounts reported in Form 990, Part VII, paid subject to the initial contract exception described in Roin Part III		8		No
9	If "Yes" to line 8, did the organization also follow the re	ebuttable presumption procedure described in Regulations			1,40

section 53 4958-6(c)?

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 o	f W-2 and/or 1099-MI	SC compensation	(C) Retirement and	(D) Nontaxable	(E) Total of columns	(F) Compensation
	(i) Base compensation	(iii) Bonus & (iii) Other reportable compensation compensation		other deferred compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ
See Additional Data Table							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	'	The CAMCHSI Board of Directors Compensation Committee selects and supervises an independent consultant who advises the Committee on compensation arrangements and transactions between CAMCHSI companies and executives. The Committee uses the data to determine the total compensation of the CAMC's CEO and the other executives. The data is reviewed every two years or when a new person comes into an executive role.
	ŕ	Supplemental Executive Retirement Plan ("SERP") Participants are members of the Executive group Participant Beth Samples in 2011 was paid in the amount of \$846,435 in SERP benefits. Terms & Conditions of SERP Plan. Defined Benefit. Vest at age 60, or later, if one time postponement is made prior to age 59. Deferred vesting date cannot be earlier than age 65 or later than age 68. Benefit at age 60 with 30 years of service is computed as the difference between 55% of Final Average Total compensation and sum of retirement benefits paid from. CAMC Health System, Inc. Qualified Retirement Plan, Non-Qualified Retirement Benefit Restoration Plan and 50% of projected age 62 Primary Social Security Benefit. Eligible to receive SERP benefits upon earliest of normal retirement or date elected, if extended, death, disability, involuntary termination without cause. Early retirement at age 55 with at least 5 years of service reduced 1.83% for each year of service less than 30 and 5% reduction for each month prior to Normal Retirement Date (age 60). Taxes due upon distribution. Subject to the Substantial Risk of Forfeiture. CEO Supplemental Executive Retirement Plan ("SERP"). Participant-CEO Terms and Conditions of CEO SERP Plan. Defined. Contribution. Vest at age 65. Benefit at age 65 projected as the difference between 60% of Final 5. Year Average Total compensation and sum of retirement benefits paid from CAMC Health System, Inc. Qualified Retirement Plan and 50% of projected age 65. Primary Social Security Benefit. Actual benefits will depend upon simulated investment results based on investment options selected by participant. Eligible to receive SERP benefits upon earliest of deferred vesting date, death, disability, involuntary termination without cause. Taxes due upon vesting. Subject to the Substantial Risk of Forfeiture.

Software ID: Software Version:

EIN: 55-0526150

Name: Charleston Area Medical Center Inc

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

(A) Name		(B) Breakdown o	f W-2 and/or 1099-MI	SC compensation	(C) Deferred	(D) Nontaxable	(E) Total of columns	(F) Compensation
		(i) Base Compensation	(ii) Bonus & ıncentive compensation	(iii) Other compensation	compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ
David L Ramsey	(I) (II)	•	235,000 0	107,773 0	155,318 0	23,047 0	1,113,254 0	57,392 0
Larry C Hudson	(I) (II)		125,135 0	105,389 0	68,312 0	20,746 0	659,581 0	51,021 C
Glenn Crotty Jr MD	(I) (II)		129,183 0	60,414 0	54,033 0	25,182 0	656,774 0	37,564 0
Marshall A McMullen Jr	(I) (II)		49,413 0	59,127 0	184,956 0	22,063	530,538 0	29,050
Michael D Williams	(I) (II)		43,504 0	36,785 0	119,079	21,490 0	444,300 0	23,048
S Andrew Weber	(I) (II)		39,470 0	45,574 0	65,227 0	25,370 0	345,073 0	34,871 0
Stephen Z Bell	(I) (II)	•	42,541 0	38,695 0	97,590 0	27,870 0	370,501 0	26,166
Robert D Whitler	(I) (II)		32,694 0	26,099 0	8,055 0	25,465 0	246,149 0	C
Beth A Samples	(I) (II)		41,792 0	867,867 0	30,170 0	18,163	1,142,899	598,275 0
Lynn Y Brookshire	(I) (II)		43,860 0	49,607 0	148,436 0	21,870 0	456,855 0	20,075
Elizabeth Spangler MD	(I) (II)		60,655	70,462 0	14,700 0	22,303	420,092	C
Ronald E Moore	(I) (II)		41,480 0	13,741	141,029	9,935	389,677 0	C
Robert B Danielson	(I) (II)		27,616 0	10,000	33,699 0	18,726	239,298	C
Dale R Wood	(I) (II)		58,211 0	34,744 0	159,248 0	10,096	500,326 0	22,353
Jeffrey H Goode	(I) (II)		37,714 0	43,845	50,410 0	27,030	324,925 0	28,765
Jeff Oskin	(1)		0	12,010	20,537	5,595 0	233,983	0
James P Tierney DO	(1)		7,693	0	9,800	400	910,317	0
Daniel L Smith	(1)	494,256	8,575	0	12,948	24,270	540,049	0

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

(A) Name		(B) Breakdown of	W-2 and/or 1099-MIS	SC compensation	(C) Deferred	(D) Nontaxable	(E) Total of columns	(F) Compensation	
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) O ther compensation	compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ	
Leon Ronen	(ı) (ıı)	452,271 0	3,382 0	0	11,709 0	23,749 0	491,111 0	0	
Mark K Stephens	(I) (II)	451,104 0	3,500 0	0	11,526 0	23,870 0	490,000	0	
Robert J Crisalli	(I) (II)	354,271 0	125 0	0	11,231 0	18,063	383,690 0	0	

Schedule K (Form 990)

Supplemental Information on Tax Exempt Bonds

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

► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

DLN: 93493318012512

Open to Public Inspection

Internal Revenue Service
Name of the organization

Department of the Treasury

Charleston Area Medical Center Inc

Employer identification number 55-0526150

										5.	5-052	6150			
P	art I Bond Issues							· ·							
	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Pi	rıce	(f)	Description	of Purpose	(g) Def	eased	(h) Beha Iss			Pool ncing
										Yes	No	Yes	No	Yes	No
A	West Virginia Hospital Finance Authority	62-1256910	956624AQ3	06-19-2008	127,355	,000	See P	ee Part V			Х		×		x
В	West Virginia Hospital Finance Authority	62-1256910	956622ZV9	09-10-2009	177,519	,271	See P	See Part V			Х		х		х
c	West Virginia Hospital Finance Authority	62-1256910		11-01-2010	8,428	,228	Refun 12/17	nd prior bond 7/85	s issued		х		х		х
Pa	rt III Proceeds			•											l
					Α	l		ı	3		С			D	
1	A mount of bonds retired					1,030	,000		4,745,000		2,	282,657	'		
_2	A mount of bonds defeased														
3	Total proceeds of issue				12	9,956	617,6	1	79,662,854		8,	428,228			
4	Gross proceeds in reserve funds								15,468,927						
5	Capitalized interest from proceeds														
6	Proceeds in refunding escrov	N													
7	Issuance costs from proceed	ds				2,071,347 2,455,533		2,455,533			60,028	3			
8	Credit enhancement from pro	oceeds			773,024										
9	Working capital expenditures	s from proceeds							17,301,803						
10	Capital expenditures from pr	oceeds			ϵ	55,455	5,959								
11	O ther spent proceeds				3	33,084	1,021	1	48,894,025						
12	Other unspent proceeds				Ž	28,867	7,004		2,941,742						
13	Year of substantial completion	on						20	09						
					Yes	No	0	Yes	No	Yes		No	Yes		No
14	Were the bonds issued as pa	rt of a current refun	ding issue?		×			X		X					
15	Were the bonds issued as pa	rt of an advance ref	unding issue?			Х			Х			Χ			
16	Has the final allocation of pro	oceeds been made?				Х			Х	Х					
17	Does the organization mainta allocation of proceeds?	aın adequate books	and records to sup	port the final	х			Х		Х					
Pa	rt IIII Private Business	Use			<u> </u>				,					•	
					<u>, , , , , , , , , , , , , , , , , , , </u>				3		C			D	
					Yes	Ne	0	Yes	No	Yes		No	Yes		No

property financed by tax-exempt bonds?

financed property?

Was the organization a partner in a partnership, or a member of an LLC, which owned

Are there any lease arrangements that may result in private business use of bond-

Χ

Χ

Χ

Χ

Χ

Par	Private Business Use (Continued)									
			A	1		В		С		D
			Yes	No	Yes	No	Yes	No	Yes	No
За	Are there any management or service contracts that may result in private use?	business	x			×		×		
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or counsel to review any management or service contracts relating to the fin property?		Х							
С	Are there any research agreements that may result in private business us financed property?	e of bond-		х		х		х		
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or counsel to review any research agreements relating to the financed proper									
4	Enter the percentage of financed property used in a private business use to other than a section 501(c)(3) organization or a state or local government.			0 %		•		·		•
5	Enter the percentage of financed property used in a private business use a unrelated trade or business activity carried on by your organization, anoth 501(c)(3) organization, or a state or local government			0 %						
6	Total of lines 4 and 5			0 %						
7	Has the organization adopted management practices and procedures to er post-issuance compliance of its tax-exempt bond liabilities?	nsure the	Х		Х		х			
Par	t IV Arbitrage						•		•	
		A			В		<u>c</u>		D	
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?	Yes	No X	Yes	No X	•	es	No X	Yes	No
2	Is the bond issue a variable rate issue?	<u> </u>			X		x			
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X			×			х		
b	Name of provider	Merrill Lynch Capital								
С	Term of hedge	29 2000	0000000							
d	Was the hedge superintegrated?		х							
e	Was a hedge terminated?		х							
4a	Were gross proceeds invested in a GIC?		Х	Х				Х		
b	Name of provider		<u>'</u>	Wachovia	1					
С	Term of GIC	1		23 00	0000000	00				
	Was the regulatory safe harbor for establishing the fair market	1								

Part V Procedures To Undertake Corrective Action

Did the bond issue qualify for an exception to rebate?

Were any gross proceeds invested beyond an available temporary

Χ

Χ

Χ

Χ

Part VI Supplemental Information

value of the GIC satisfied?

5

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

Ident if ier	Return Reference	Explanation
Schedule K Supplental Information		Part I Line A (F) Description of purpose The proceeds for the 2008A Bonds were used to (i) currently refund the Series 1995A Bonds originally issued on 9/26/95, (ii) pay the costs of certain capital expenditures made, or to be made, by CAMC, refinance a bank loan, and (iii) pay the costs of issuing the Series 2008A Bonds, including certain fees of the bank Part I Line B (F) Description of purpose The proceeds for the 2009A Bonds were used to (i) currently refund the outstanding principal amount of the 2002 Series A and B Bonds originally issued on 9/24/02, (ii) pay a portion of a termination payment as a result of termination of hedge agreement in connection with the 2002 Bonds (an extraordinary working capital expenditure), (iii) fund a debt service reserve fund, and (iv) pay the costs of issuing the 2009 Bonds Part I Line C (F) Description of purpose The proceeds for the 2010A Bonds were used to refund prior bonds issued 12/17/85 Part II Line 3. The total proceeds of issue includes accumulated interest earnings. Working capital expenditures reported in Part II, Line 9, column B consist of an extraordinary working capital expenditure consisting of a swap termination payment.
		Part III has not been completed with respect to the column B and column C bonds, since such bonds refunded pre-2003 bond issues Regarding Part II, line 9, coulmn B, please see separate disclosure regarding purpose of bonds
		Part IV , Line 5 , column A - Such amounts were appropriately yield restricted

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As Filed Data -

DLN: 93493318012512

Schedule L

(Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Transactions with Interested Persons

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

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

2011

Open to Public Inspection

OMB No 1545-0047

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 1 (a) Name of disqualified person (b) Descri							E	mployer i	dent if ica	tion numb	er
	Enter the amount of tax imposed on the organization managers or disqualified persons during section 4958	5	5-05261	50							
Complete if the organizat	ion ans	wered "	Yes" on Forr	n 990, F	Part IV, line 25a c	or 25b,	or Form	990-EZ,	Part V, I	ne 40b	
1 (a) Name of disq	ualıfıed	person			(b) Desc	ription	of trans	action		Cor	(c) rected?
										Yes	No
	-										
		_					_	ear unde	r • •		
									+		
5 Enter the amount of tax, if any	, 011 1111	e 2, abo	ve, reilliburs	ed by th	e organization .				→		
Part II Loans to and/or	From	Intere	sted Pers	ons.							
Complete if the organi	zation a	nswere	d "Yes" on Fo	orm 990	, Part IV, line 26	, or For	m 990-l	Z, Part V	', line 38	a	
	(b) L	oan to					-	(f)			
(a) Name of interested person and	1				(d)Ralance due			A pprob		(g)Writt	
purpose	organı	ızatıon?	principal a	mount	(u)Dalalice due	aciac		committee?		agreeme	
	То	From	1			Yes	No	Yes	No	Yes	No
	T										
	Ī										
Total				▶ \$							
Complete if the orga	ınızatıd	on ansv	vered "Yes'	" on Fo	rm 990, Part IV	', line :	27.				
(a) Name of interested pers	son					son	(c) An	nount of a	rant or ty	pe of assis	stance
(1)			an	d the or	ganization		(-,				

Part IV	Business	Transactions	Involving	Interested	Persons

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

(a) Name of interested person	(b) Relationship between interested person and the	(c) A mount of transaction	(d) Description of transaction	(e) Sharing o organization's revenues?	
See Additional Data Table	organization			Yes	No
See Additional Data Table					

Part V Supplemental Information

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

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

Schedule L (Form 990 or 990-EZ) 2011

Additional Data

Software ID: Software Version:

EIN: 55-0526150

Name: Charleston Area Medical Center Inc

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) A mount of transaction \$	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Rick Crotty	Family member of Glenn Crotty, Officer	53,612	employed by organization		No
Barbara Covelli	Family member of Glenn Crotty, Officer	75,098	employed by organization		No
Donna Bell	Family member of Steve Bell, Officer	148,544	employed by organization		No
Mıchael Samples	Family member of Beth A Samples, Officer	74,912	employed by organization		No
Glenda Bryant	Family member of Ronald Moore, Officer	56,119	employed by organization		No
TerraCare or TerraSalıs	Entity more than 35% owned by Nelle Chilton, Trustee	222,985	Purchased Services		No
ВВТ	Entity Board Members, Nelle Chilton & Edwin H Welch, Ph D, CAMC Trustees	2,573,957	Purchased Services		No
Kay Casto Chaney PLLC	Parnership more than 5% owned by John R Hoblitzell, Trustee	167,436	Purchased Services		No

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

Open to Public Inspection

Name of the organization Charleston Area Medical Center Inc **Employer identification number**

55-0526150

Identifier	Return Reference	Explanation	
	Form 990, Part VI, Section A, line 6	CAMC Health System, Inc ("CAMCHSI") is CAMC's sole voting member	
	Form 990, Part VI, Section A, line 7a	CAMC Health System, Inc ("CAMCHSI") is CAMC's sole voting member and has authority to elect all voting trustees of CAMC other than ex- officio trustees named in CAMC's governing documents. The sole voting member has the sole authority to amend CAMC's governing documents.	
	Form 990, Part VI, Section A, line 7b	CAMCHSI is CAMC's sole voting member and has reserved powers under CAMC's governing documents, which provide that decisions of CAMC's governing body such as election of officers, approval of annual budgets and borrownings are subject to approval by the sole voting member. The sole voting member also has all approval powers provided to members of West Virginia nonprofit corporations under state law	
	Form 990, Part VI, Section B, line 11	CAMC compiles necessary information for Form 990 through the efforts of various officers and trustees of the organization. The return is then prepared and reviewed by an external consultant firm. This firm then reviews the completed Form 990 with the CAMC Board of Trustees and its Audit Committee.	
	Form 990, Part VI, Section B, Ine 12c	Corporate officers including the President and Secretary develop the agendas for board meetings and identify potential conflict of interest issues relative to action items and assist the board chairs with resolutions of same. Annual disclosure procedures are implemented and the board chair and Nominating Committee periodically review conflict situations.	
	Form 990, Part VI, Section B, line 15	The CAMCHSI Board of Directors Compensation Committee selects and supervises an independent consultant who advises the Committee on compensation arrangements and transactions between CAMC Health System, Inc. subsidiaries (including CAMC) and executives (including CAMC's CEO). The Committee uses the data to determine the total compensation of CAMC's CEO and other executive officers. This data is reviewed every two years or when a new person comes into a executive role.	
	Form 990, Part VI, Section C, line 19	CAMC is part of a consolidated financial audit for CAMC Health System, Inc. and Subsidiaries. Consolidated audited financial statements are available on-line at CAMC org. They are also filed with the WV. Health Care Authority where they are available on-line and in person. There is no formal method of making the Bylaws and Conflict of Interest Policy publicly available, but they are available upon request. The Articles of Incorporation are publicly available at the WV. Secretary of State's Office.	
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized losses on investments -5,549,476 Affiliate Transfers -6,523,306 Distribution to non-controlling interest -56,284 Increase/Decrease in beneficial interest in CAMC Foundation -355,680 Change in Temp Restricted Contributions 160,289 Change in Affiliate Receivable Balance 660,995 Change in retirement obligation -1,454,011 Total to Form 990, Part XI, Line 5 -13,117,473	

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DLN: 93493318012512

2011

Open to Public Inspection

SCHEDULE R (Form 990)

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.

Department of the Treasury Internal Revenue Service

Name of the organization Charleston Area Medical Center Inc					ntification number		
Part I Identification of Disregarded Entities (Comp	olete if the organization	on answered "Yes'	' on Form 990, Pa	55-0526150 rt 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 Organ or more related tax-exempt organizations during		ıf the organization	n answered "Yes"	on Form 990, Par	t IV, line 34 becaus	e ıt had	one
(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	Section 51 contr organi	rolled
(1) Charleston Area Medical Center Foundation Inc						Yes	No
PO BOX 1547 Charleston, WV 253261547 31-0887133	Foundation	WV	501(c)(3)	Line 11, Type II 50	CAMC Health SystemInc	Yes	
(2) CAMC Health System Inc PO BOX 1547 Charleston, WV 253261547 55-0664138	Parent Company	wv	501(c)(3)	Line 11, Type III-FI	N/A		No
(3) CAMC Health Education and Research Institute Inc PO BOX 1547 Charleston, WV 253261547 55-0753754	Medical Educational Research	wv	501(c)(3)	Line 11, Type II 50	CAMC Health SystemInc	Yes	
(4) CAMC Teays Valley Hospital Inc PO BOX 1547 Charleston, WV 253261547 55-0752636	Hospital	wv	501(c)(3)	Line 3 170(b)(1)(a)	CAMC Health SystemInc		No

Part III	Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part	t 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)	<u>'</u>	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j Gene mana part	ral or aging	(k) Percentage ownership
							Yes	No		Yes	No	
(1) Women & Children's Medical Office Building Partnership PO Box 1547 Charleston, WV 253261547 55-0669065	Medical office Building	wv	CAMC	Related				No		Yes		88 510 %
(2) General Division Medical Office Building Partnership PO Box 1547 Charleston, WV 253261547 55-0623949	Medical office Building	wv	CAMC	Related				No		Yes		79 330 %
		•		•				•				•

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total Income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) Integrated Health Care Providers Inc PO Box 1547 Charleston, WV 253261547 55-0751010	Speciality Physician Practices	wv		С			

(6)

Pa	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		Yes	No
1 D	uring the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
а	Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	1a		No
b	Gift, grant, or capital contribution to related organization(s)	1b	Yes	
С	Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d	Loans or loan guarantees to or for related organization(s)	1d	Yes	
е	Loans or loan guarantees by related organization(s)	1e		No
f	Sale of assets to related organization(s)	1f	Yes	
g	Purchase of assets from related organization(s)	1g	Yes	
h	Exchange of assets with related organization(s)	1h		No
i	Lease of facilities, equipment, or other assets to related organization(s)	1i	Yes	
j	Lease of facilities, equipment, or other assets from related organization(s)	1j	Yes	
k	Performance of services or membership or fundraising solicitations for related organization(s)	1k	Yes	
ı	Performance of services or membership or fundraising solicitations by related organization(s)	11	Yes	
m	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		No
n	Sharing of paid employees with related organization(s)	1n	Yes	
0	Reimbursement paid to related organization(s) for expenses	10	Yes	
р	Reimbursement paid by related organization(s) for expenses	1p	Yes	
q	Other transfer of cash or property to related organization(s)	1q	Yes	
r	Other transfer of cash or property from related organization(s)	1r		No
2	If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds	;		
	(a) (b) (c) Method of de	(d)	ing amo	unt
	Name of other organization	volved		unt
	ee Addıtıonal Data Table			
2)				
3)				
3)				
4)				
•,				
5)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	org	(e) Are all partners section 501(c)(3) janizations?	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	Gene man part	j) eral or aging ener?	(k) Percentage ownership
			,	Yes	No			Yes	No		Yes	No	

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier Return Reference Explanation

Schedule R (Form 990) 2011

Software ID: Software Version:

EIN: 55-0526150

Name: Charleston Area Medical Center Inc

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) A mount I nvolved (\$)	(d) Method of determining amount involved
(1)	CAMC Health Education and Research Institute Inc	В	3,659,529	Contract
(2)	Integrated Health Care Providers Inc	В	23,477,367	Contract
(3)	CAMC Health System Inc	С	80,772	Contract
(4)	Charleston Area Medical Center Foundation Inc	С	487,675	Contract
(5)	Women and Children's Medical Office Building Partnership	D	316,787	Contract
(6)	General Division Medical Office Building Partnership	D	86,227	Contract
(7)	Integrated Health Care Providers Inc	F	138,988	FMV
(8)	Charleston Area Medical Center Foundation Inc	G	3,861,343	Cost
(9)	CAMC Health Education and Research Institute Inc	I	252,446	Contract
(10)	Integrated Health Care Providers Inc	I	802,992	Contract
(11)	Charleston Area Medical Center Foundation Inc	J	930,157	Contract
(12)	Women and Children's Medical Office Building Partnership	J	996,059	Contract
(13)	General Division Medical Office Building Partnership	J	675,949	Contract
(14)	Integrated Health Care Providers Inc	J	154,906	Contract
(15)	CAMC Health System Inc	К	90,613	Contract
(16)	CAMC Teays Valley Hospital Inc	К	1,775,754	Contract
(17)	Charleston Area Medical Center Foundation Inc	К	218,253	Contract
(18)	CAMC Health Education and Research Institute Inc	К	341,384	Contract
(19)	Women and Children's Medical Office Building Partnership	К	248,608	Contract
(20)	General Division Medical Office Building Partnership	К	187,094	Contract

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) A mount I nvolved (\$)	(d) Method of determining amount involved
(21)	Integrated Health Care Providers Inc	К	2,834,465	Contract
(22)	CAMC Teays Valley Hospital Inc	0	2,081,685	FMV
(23)	CAMC Health Education and Research Institute Inc	0	1,810,735	FMV
(24)	Integrated Health Care Providers Inc	0	997,342	FMV
(25)	CAMC Teays Valley Hospital Inc	Р	24,801,015	FMV
(26)	Charleston Area Medical Center Foundation Inc	Р	283,803	FMV
(27)	CAMC Health Education and Research Institute Inc	Р	4,243,990	FMV
(28)	Women and Children's Medical Office Building Partnership	Р	105,420	FMV
(29)	General Division Medical Office Building Partnership	Р	226,338	FMV
(30)	Integrated Health Care Providers Inc	Р	44,621,340	FMV
(31)	CAMC Health System Inc	Q	474,335	FMV
(32)	CAMC Teays Valley Hospital Inc	Q	945,034	FMV
(33)	CAMC Health Education and Research Institute Inc	Q	500,000	FMV
(34)	Integrated Health Care Providers Inc	Q	5,548,970	FMV
(35)	CAMC Health Education and Research Institute Inc	L	11,356,267	fM∨

CAMC Health System, Inc. and Subsidiaries

Consolidated Financial Statements and Other Financial Information as of and for the Years Ended December 31, 2011 and 2010, and Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of CAMC Health System, Inc

We have audited the accompanying consolidated balance sheets of CAMC Health System. Inc. and subsidiaries (the "System") 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 System's 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 consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of the System as of December 31, 2011 and 2010, and the results of its operations, its changes in net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

The consolidating schedules on pages 40-45 are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and are not a required part of the consolidated financial statements. These schedules are the responsibility of the Company's management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such schedules have been subjected to the auditing procedures applied in our audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedules are fairly stated in all material respects in relation to the consolidated financial statements as a whole

As discussed in Note 2 to the consolidated financial statements, on January 1, 2011, the System adopted the provisions of accounting guidance on presentation and disclosure of patient service revenue and the provision for bad debts, and applied the new guidance to all periods presented in the accompanying consolidated financial statements

April 27, 2012

Delotte + Touche LLP

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2011 AND 2010 (In thousands)

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 19,512	\$ 34,492
Short-term investments	98,108	73,705
Current portion of assets limited as to use	6,250	5,600
Patient receivables — net of allowances for uncollectible		
accounts of \$20,162 in 2011 and \$17,702 in 2010	115,671	103,504
Other receivables	19,490	16,495
Estimated amounts due from third-party payors	6,499	3.032
Inventories	17.416	15.220
Prepaid expenses and other	5,102	7,470
Total current assets	288,048	259,518
ASSETS LIMITED AS TO USE	237.668	235,747
OTHER INVESTMENTS	20,372	20,629
PROPERTY, PLANT, AND EQUIPMENT		
Land	38,752	36,183
Buildings and improvements	345,916	338,202
Equipment and software costs	494.574	470.320
Construction in progress	12,177	13,688
Total property, plant, and equipment	891,419	858,393
Less accumulated depreciation	(593,065)	(558,782)
Less accumulated depreciation	(373,003)	(336,762)
Property, plant, and equipment — net	298,354	299,611
OTHER ASSETS	21,863	21,857
TOTAL	<u>\$ 866,305</u>	\$ 837.362
		(Continued)

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2011 AND 2010 (In thousands)

LIABILITIES AND NET ASSETS	2011	2010
CURRENT LIABILITIES Accounts payable and accrued expenses Self-insurance reserves Derivative obligation Deferred revenue and vendor credits Litigation verdict obligation Accrued payroll and payroll-related expenses	\$ 56,245 6,250 28,006 681 - 41,711	\$ 58,407 5,600 12,730 980 9,545 38,640
Estimated amounts due third-party payors Current maturities of long-term debt and capital lease obligations	5,155 7,501	1,445 8,519
Total current liabilities	145,549	135,866
LONG-TERM LIABILITIES Long-term debt and capital lease obligations — less current maturities Retirement obligations Self-insurance reserves Deferred revenue and vendor credits Other	342.687 11.473 17.333 8.612 1.780	349,656 9,794 17,068 9,417 2,775
Total long-term liabilities	381,885	388,710
Total liabilities	527,434	_524,576
NET ASSETS Unrestricted Noncontrolling interest in joint ventures	284.815 204	265.037 327
Unrestricted — total	285,019	265,364
Temporarily restricted Permanently restricted	32.860 20.992	26.675 20.747
Total net assets	338,871	312,786
TOTAL	\$866,305	\$837.362
See notes to consolidated financial statements		(Concluded)

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (In thousands)

	2011	2010
UNRESTRICTED REVENUE AND OTHER SUPPORT		
Patient service revenue (net of contractual allowances and discounts)	\$884,494	\$858,434
Provision for bad debts (see Note 2)	(74.902)	(71.980)
Net patient service revenues less provision for bad debts	809.592	786,454
Other revenue	35,955	37,864
Investment (loss) income — net	(402)	25,716
Net assets released from restrictions	2.328	769
Total unrestricted revenue and other support	847,473	850,803
EXPENSES		
Salaries and wages	318,855	314,469
Employee benefits	87,750	86,744
Professional compensation and fees	16,444	19.742
Supplies and other	323,524	325,335
Litigation settlement	(8,495)	-
Depreciation and amortization	38,818	37,428
Provision for uncollectible accounts	1.720	1,396
Medicaid provider tax	19,197	17.755
Interest and debt expense	15,548	15,402
Change in fair value of derivatives	15.276	6,150
Total expenses	828.637	824,421
EXCESS OF REVENUES OVER EXPENSES — Controlling and noncontrolling		
interest	18,836	26,382
LESS EXCESS OF REVENUES OVER EXPENSES — Noncontrolling interest	(76)	(811)
EXCESS OF REVENUES OVER EXPENSES — Net of noncontrolling interest	18,760	25,571
OTHER CHANGES IN UNRESTRICTED NET ASSETS		
Net assets released from restrictions for capital expenditures	203	10
Change in retirement obligations actuarial loss and prior service cost	(1.454)	(380)
Pension assumption adjustment	-	1,238
Endowment fund reclass	-	(519)
Distribution of noncontrolling interest	(199)	(755)
Contributions for capital expenditures	2.269	460
INCREASE IN UNRESTRICTED NET ASSETS	\$ 19.655	\$ 26,436

See notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (In thousands)

	2011	2010
UNRESTRICTED NET ASSETS		
Excess of revenue over expenses	\$ 18,836	\$ 26,382
Change in retirement obligations actuarial loss and prior service cost	(1.454)	(380)
Assets released from restrictions for capital expenditures	203	10
Pension assumption adjustment	-	1.238
Endowment fund reclass	-	(519)
Distribution to noncontrolling interest	(199)	(755)
Contributions for capital expenditures	2.269	<u>460</u>
Increase in unrestricted net assets	19,655	26,436
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	8,941	3,415
Investment (loss) income — net	(225)	4,579
Endowment fund reclass	-	519
Net assets released from restrictions for		
Programs	(2,328)	(769)
Capital expenditures	(203)	(10)
Increase in temporarily restricted net assets	6,185	7.734
PERMANENTLY RESTRICTED NET ASSETS — Contributions	245	<u>766</u>
INCREASE IN NET ASSETS	26.085	34.936
NET ASSETS — Beginning of year	312,786	277,850
NET ASSETS — End of year	\$338,871	\$312,786

See notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (In thousands)

	2011	2010
OPER ATING ACTIVITIES	Ø 24 405	0.21026
Increase (decrease) in net assets	\$ 26,085	\$ 34.936
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities Change in fair value of derivatives	15,276	6,150
Loss on disposal of fixed assets	1.933	38
Change in retirement obligations actuarial loss and prior service cost	1,454	380
Depreciation and amortization	38.818	37,428
Provision for bad debts	74,902	71,980
Provision for uncollectible accounts	1,720	1.396
Equity losses (earnings) on unrestricted alternative investments	264	(226)
Realized gains on alternative securities	(356)	-
Net restricted contributions and investment income	(8,961)	(9.279)
Distributions to noncontrolling interest in joint ventures	199	755
Changes in assets and liabilities	(99.790)	(50.020)
Patient receivables Other receivables	(88.789)	(59.920)
Trading investments	(2.995) (24.123)	(4.086) (15.654)
Inventories, prepaid expenses, and other	166	(1.681)
Estimated amounts due from to third-party payors	244	(2.108)
Accounts payable and accrued expenses	(1.513)	(2.314)
Deferred revenue	(1,104)	(926)
Litigation verdict obligation	(9,545)	
Accrued payroll and payroll-related expenses	3,071	4,177
Other liabilities	(505)	(1.783)
Net cash provided by operating activities	26.241	59,263
INVESTING ACTIVITIES		
Capital expenditures — net	(39,494)	(34.614)
Purchases of investments	-	(1.051)
Proceeds from the sale of investments	10,158	500
Acquisition of Mountaineer Imaging	-	(7.624)
Restricted cash as collateral	(19,350)	(13.010)
Restricted cash from collateral	6,690	8,380
Net cash used in investing activities	(41.996)	<u>(47.419</u>)
FIN ANCING ACTIVITIES		
Proceeds from issuance of debt	-	9,000
Proceeds from loan refinancing	-	8,428
Repayment of loan refinancing	-	(8.323)
Cost associated with loan refinancing Principal payments on debt obligations and capital lease obligations	(7.987)	(105) (7,081)
Borrowings under lines of credit	839	(7.081)
Repayment under lines of credit	(839)	(687)
Distribution to noncontrolling interest in joint ventures	(199)	(755)
Net restricted contributions and investment income	8.961	9.279
Net cash provided by financing activities		10,443
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(14.980)	22.287
C ASH AND C ASH EQUIV ALENTS — Beginning of year	34.492	12.205
CASH AND CASH EQUIVALENTS — End of year	\$ 19,512	\$ 34,492
SUPPLEMENT AL DISCLOSURES OF CASH FLOW INFORMATION Cash paid during the year for interest	<u>\$ 11.120</u>	<u>\$ 11.005</u>
Capital assets acquired under capital lease obligations	\$ 4.486	\$ 4.925
Capital expenditures remaining in accounts payable at year-end	\$ 2.675	\$ 9.512

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (In thousands)

1. ORGANIZATION

CAMC Health System. Inc (the "Parent"), is a West Virginia nonprofit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code") As the parent holding company, the Parent provides general guidance and strategic direction for the following subsidiaries (collectively, the "System")

Charleston Area Medical Center, Inc (CAMC) — a West Virginia nonprofit corporation that owns and operates the General, Memorial, and Women and Children's Hospitals, all in Kanawha County, West Virginia

Charleston Area Medical Center Foundation. Inc (the "Foundation") — a West Virginia nonprofit corporation established for the purpose of raising funds for CAMC

CAMC Health Education and Research Institute, Inc. (the "Institute") — a West Virginia nonprofit corporation established for the purpose of managing, promoting, and conducting medical education and research programs

Integrated Health Care Providers, Inc ("Integrated") — a West Virginia nonprofit taxable corporation established for the purpose of providing physician services

CAMC Teays Valley Hospital, Inc ("CAMC Teays") — Formerly, Heritage Health Systems, Inc., a West Virginia nonprofit corporation that owns and operates an urban community hospital in Putnam County, West Virginia

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation — The accompanying consolidated financial statements include the accounts of the Parent and the aforementioned subsidiaries. All significant intercompany transactions and balances have been eliminated

Investments in companies in which the system owns 20% to 50% of the voting stock and has the ability to exercise significant influence over operating and financial policies of the investee are accounted for using the equity method of accounting. As a result, the System's share of the earnings or losses of such equity affiliates is included in the accompanying consolidated statements of operations and the System's share of these companies' shareholders' equity is included in investments in the accompanying consolidated balance sheets

Cash and Cash Equivalents and Short-Term Investments — Cash and cash equivalents represent cash and temporary investments with original maturities of three months or less. Cash and cash equivalents exclude cash maintained in board-designated, restricted, self-insurance, and trustee-held funds. Short-term investments represent investments with original maturities extending beyond three months that management has identified as available to meet current operating needs. Such deposits

exceed the Federal Deposit Insurance Corporation insured limits. Short-term investments are stated at fair value, which approximates cost

Net Patient Service Revenues and Patient Accounts Receivable — Net patient service revenues and patient accounts receivable are derived primarily from patients who reside in West Virginia and surrounding states. Patient accounts receivable consist of amounts due from third-party payors, including federal and state indemnity and managed care programs, managed care health plans, commercial insurance companies, and individual patients for health care services rendered. The System does not require collateral or other security on its patient receivables. Gross patient service revenue is recognized based on the System's standard billing rates. Gross patient service revenue is reduced to "patient service revenue," net of contractual allowances and discounts, through a provision for contractual allowances associated with services provided to patients who have third-party coverage on the basis of contracted rates for the services rendered. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized for the years ended December 31, 2011 and 2010, by major payor sources, is as follows.

	Patient Service Revenue (Net of Contractual Allowances and Discounts)		
	2011	2010	
Government third-party payors	\$438,497	\$429,121	
Other third-party payors	384,915	358,456	
Self-pay	61,082	70,857	
Total	\$884,494	\$858,434	

Patient accounts receivable are reduced to their estimated net realizable value through an allowance for uncollectible accounts and contractual adjustments. Patient accounts receivable are reduced by an allowance for contractual adjustments associated with third-party payor responsibility. Patient accounts receivable are further reduced by an allowance for uncollectible accounts for the portion of accounts receivable related to patient responsibility of 8% at December 31, 2011 and 2010.

Allowance for Uncollectible Accounts — The patient portion of accounts receivable including self-pay accounts for patients with no insurance and patient deductibles and co-payments on third-party accounts, are reduced by an allowance for doubtful accounts. Management maintains an allowance for doubtful accounts for each of its major revenue sources to reserve for estimated losses based on the length of time the account has been past due and historical experience. The System considers the patient portion of accounts receivable for write-off beginning 90 days after billing. Certain patient accounts are excluded from consideration when the following conditions exist, the patient account has a credit balance, the charge has been voided, hold on the account, unapplied credits that exist on the patient account, or a payment was made on the patient account in the last 45 days. Excluded accounts are reviewed weekly by the business office to assess collectability.

Allowance for Contractual Adjustments — The majority of patients maintain commercial insurance or are covered by a third-party government payor. Most of these coverage sources, through contract or mandate, pay less than the hospitals standard billed charges. Accordingly, as gross revenues are recognized and recorded as accounts receivable, the third-party portion of the accounts receivable is reduced by an allowance for contractual adjustments. The System analyzes its past history of collectability and adjusts for certain events or trends as necessary for each of its major payor sources of revenue to estimate the appropriate allowance for contractual adjustments.

Net patient service revenues from the Medicare and Medicaid programs account for approximately 38% and 12%, respectively, of the System's net patient service revenue for the year ended December 31, 2011, and 38% and 11%, respectively, of the System's net patient service revenue for the year ended December 31, 2010 Payments received under the reimbursement arrangements with Medicare and Medicaid are subject to retroactive audit and adjustment. Provision has been made in the consolidated financial statements for estimated contractual adjustments representing the difference between the standard charges for services and estimated total payments to be received from third-party payors Estimated settlements are accrued in the period the related services are rendered and adjusted in future periods as final settlements are determined. Settlement of prior-vear cost reports and revisions to other prior-vear settlement estimates had the effect of increasing net patient service revenue by \$860 and \$4,873 in 2011 and 2010, respectively. Laws and regulations governing these programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimated settlements will change by a material amount in the near term. Management believes that adequate provisions have been made for reasonable adjustments that may result from such final settlements. Management believes it is in substantial compliance with all applicable laws and regulations 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

The approximate percentage of patient receivables by type of payor as of December 31, 2011 and 2010, is as follows

	2011	2010
Medicare	32 %	28 %
Commercial insurance	19	23
Other third-party payment programs	32	30
Medicaid	11	13
Self-pay	1	1
PEIA	5	5
	100 %	100 %

Charity Care — The System provides care to patients who meet certain criteria under its charity care policies without charge or at amounts less than established rates. Because the System does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as net revenue (see Note 3 & 4). The System maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services furnished under the System's charity care policies.

Physician Recruitment and Education Assistance Loan Receivable — CAMC provides loans for physician recruitment and education assistance for the purpose of recruiting qualified physicians and clinicians in areas of need. Physician recruitment loans are made for the following purposes, support during fellowship, moving a doctor and his or her family, or establishing a medical practice in the community. Recruitment loans may require collateral or a guarantor. Fellowship loans may carry a higher interest and/or a liquidation damages clause for having no collateral. Education assistance loans are made for tuition, books, supplies, etc. Education assistance loans do not guarantee employment upon completion of the program, however, if the student gains employment with CAMC, loan payments are forgiven monthly in accordance with a loan amortization schedule. Loans are recorded as other receivables at the time of the cash disbursement. Interest is accrued as earned and recorded to the loan balance and interest income in accordance with contract terms. Upon completion of the loan period.

loans are repaid monthly in accordance with contract terms, either by cash payment or forgiveness. Loans are evaluated periodically to determine their collectability, those that are deemed at risk of collection are reserved as uncollectible. Loans in default are referred to internal legal counsel or CAMC's internal collection agency. CAMC's physician recruitment and education assistance loans were \$6,808 and \$6,886 at December 31, 2011 and 2010, respectively. Such balance is net of an allowance for loan losses of \$1,277 and \$1,071 at December 31, 2011 and 2010, respectively.

Pledges Receivable — The Foundation has \$6,320 and \$1,752 recorded as pledges receivable at December 31, 2011 and 2010, respectively, with the increase primarily due to pledges for the construction of a new cancer center building. The amount to be received in one year and in one to five years as of December 31, 2011, is \$3,709 and \$2,611, respectively. These amounts are included in other receivables in the consolidated financial statements.

Inventories — Inventories represent supplies that are valued at the average cost method. In prior years, inventory was valued at the lower of cost on a first-in, first-out basis or market. Subsequent to December 31, 2010, the System converted to an average pricing method of valuing inventory due to a software upgrade. Management has determined the effect of the change in inventory valuation method to be immaterial to the consolidated financial statements.

Assets Limited as to Use and Investments — Assets limited as to use primarily include assets held by trustees under indenture and other agreements, designated assets set aside by the board of trustees, self-insurance funds, and donor-restricted assets. Other investments are alternative investments that are not limited as to use

Investments in equity securities with readily determinable fair values and all investments in debt securities are classified as available for sale and are measured at fair value. Investment income or loss (including realized gains and losses, interest, dividends, changes in equity or impairments of limited partnerships, and unrealized gains and losses) is included in unrestricted investment income or loss, unless the income or loss is restricted by donor or law.

The System invests in alternative investments that primarily represent ownership in limited partnerships that invest in hedge funds, real asset funds, and private equity/venture capital funds. In order to liquidate such investments, management is required to provide notice ranging from 45 to 90 days to withdraw from the partnerships. Investments in alternative investments are accounted for utilizing the lower of cost or market method when the System's ownership percentage is less than 5%, as the System has virtually no influence over the partnership's operating and financial policies. As of December 31, 2011 and 2010, alternative investments recorded at cost, many of which have been written down to market, aggregate \$37,005 and \$46,808, respectively. The estimated market value of these investments at December 31, 2011 and 2010, was \$46,682 and \$60,273, respectively. Alternative investments in which the System's ownership percentage exceeds 20% are recorded at fair market value. As of December 31, 2011 and 2010, the total carrying values of such investments was \$5,539 and \$5,796, respectively. Alternative investments of \$22,173 and \$31,975 are included in assets limited as to use while \$20,372 and \$20,629 are included in other investments as of December 31, 2011 and 2010, respectively.

In accordance with the donors' contribution requirements, unrestricted, temporarily restricted, and permanently restricted investments are pooled to obtain maximum use of funds and higher interest rates on short-term investments. Investment income from these unrestricted, temporarily restricted, and permanently restricted funds is allocated to unrestricted and temporarily restricted funds based on the respective fund's percentage of total investments.

The Foundation investment policy, which mirrors the Systems policy, establishes reasonable expectations, objectives, and guidelines, sets forth an investment structure detailing permitted asset classes and expected allocation among asset classes, encourages effective communication, and creates a framework for a well-diversified asset mix that can be expected to generate acceptable long-term returns at a level of risk suitable to the investment committee

Investment Risks — Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could materially affect the amounts reported in the accompanying consolidated financial statements.

Derivatives — CAMC has entered into floating-to-fixed and floating-to-floating interest rate swap agreements, swaptions, and an interest rate cap agreement in connection with its debt management program CAMC records its derivative instruments as either assets or liabilities in the accompanying consolidated balance sheets at fair value using the applicable accounting guidance for derivative instruments. None of CAMC's current derivatives are designated as an accounting hedge. Accordingly, the derivative gain or loss related to the change in fair value is included in the excess of revenues over expenses.

Property, Plant, and Equipment — Amounts capitalized as part of land, buildings, and equipment, including additions and improvements to existing facilities, are recorded at acquisition cost, including applicable internal labor costs and interest capitalized during construction. During 2011 and 2010, approximately \$1,111 and \$1,167, respectively, of internal labor costs were capitalized related to construction projects. Capital lease assets included in equipment in the consolidated balance sheets are \$6,450, net of \$1,746 accumulated amortization, as of December 31, 2011, and \$6,450, net of \$1,618 accumulated amortization, as of December 31, 2010. The total unamortized capitalized software costs are \$7,043 and \$5,323 as of December 31, 2011 and 2010, respectively. Total related amortization expense was \$3,979 and \$2,949 for the years ended December 31, 2011 and 2010, respectively. Construction in progress totals are \$7,834 and \$8,444 as of December 31, 2011 and 2010, respectively, primarily related to Memorial Hospital 5th floor nursing unit, emergency department expansion, ambulatory care upgrades, as well as additional parking facilities at Women and Children's Hospital None of these projects were qualified assets therefore there is no capitalized interest.

Depreciation, including amortization of assets recorded under capital leases, is recorded on the straight-line method over the estimated useful lives of the aggregate building components and improvements (generally 10 to 45 years) and equipment (generally three to 20 years). Upon retirement or disposal, the asset and accumulated depreciation accounts are adjusted, and any gain or loss is recorded in the consolidated statements of operations. Maintenance costs and repairs are expensed as incurred.

Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Any write-downs due to impairment are charged to operations at the time impairment is identified. The system incurred an impairment loss due to a building market value adjustment of \$1,936 in 2011, and management determined that no impairment write-downs were necessary in 2010.

Management revalued estimated lives of certain buildings in 2011 based on controllable building components, the individual cost per component, and assigned appropriate component lives using both lives as determined reasonable by a hospital life study and the American Hospital Association lives for depreciable hospital assets for the calculation of depreciation

Contributions — Contributions are recognized in the period cash is received or the period in which an unconditional promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor-restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations.

Donor-restricted contributions received by the Foundation and the Institute whose restrictions are met within the same year as received are reported as net assets released from restrictions in the accompanying consolidated financial statements

Temporarily and Permanently Restricted Net Assets — Temporarily restricted net assets are available for a number of initiatives. The more significant temporary restrictions relate to medical care of patients at CAMC Memorial Hospital of \$8,746, cancer-related initiatives of \$13,977, and scholarships of \$1,727. Permanently restricted net assets are composed of endowment funds, which are restricted in perpetuity, and the income is to be used primarily for clinical and education programs. The more significant permanent restrictions relate to medical care of patients at CAMC Memorial Hospital of \$3,476, cancer research \$1,785, children's initiatives of \$3,855, and geniatric research of \$3,228.

Self-Insurance Programs — The System has self-insurance programs for professional malpractice, general liability, workers' compensation, unemployment compensation, disability, and employee health insurance. The estimated self-insurance obligations include a provision for incurred but not reported claims.

Noncontrolling Interest — CAMC is a general partner in two medical office building partnerships, each organized as general partnerships CAMC owns a 79% interest in the general division medical office building partnership and an 89% interest in the women and children's medical office building partnership. Individual practicing physicians or physician medical corporations own the remaining residual interest in these partnerships. The residual interest is reflected as noncontrolling interest in the consolidated financial statements.

Excess of Revenues over Expenses — 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 contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets) and the change in retirement obligations actuarial loss and prior service cost

Income Taxes — CAMC, the Foundation, the Institute, and CAMC Teays are exempt from income taxes under Section 501(c)(3) of the Code and applicable state statutes, but are subject to unrelated business income tax. A provision of \$135 has been made in the accompanying consolidated financial statements for both years ended December 31, 2011 and 2010, for estimated unrelated business income tax.

Integrated, a taxable nonprofit corporation, recognizes income taxes for the amount of taxes payable for the current year and for the impact of deferred tax liabilities and assets. For the years ended December 31, 2011 and 2010, Integrated had cumulative net operating losses (NOLs) available for carry forward approximating \$116,337 and \$88,314, respectively. However, the deferred tax assets related to these and prior-year NOLs have been fully reserved by a valuation allowance due to the uncertainty of Integrated's ability to generate future taxable income. The System does not have any material uncertain tax positions at December 31, 2011 and 2010.

Other Revenue — Other revenue is derived from ancillary services, which are an integral part of the operations of the System other than providing health care services to patients. Included in other revenue are grants, cafeteria, pharmacy, unrestricted contributions, and other services. Such revenue is recognized when the related service is performed, drugs are dispensed, or in the case of grant revenue, when the System incurs the cost related to the grant's purpose.

Goodwill — From time to time, the System will make asset acquisitions, which include the recording of value for goodwill. As of December 31, 2011 and 2010, the System has goodwill recorded in the amount of \$706 reported as a component of "Other Long Term Assets" within the consolidated balance sheets. In accordance with Accounting Standards Codification Topic "350", the System tests goodwill annually for impairment. The System tests for goodwill impairment using the fair value standard and has determined that the fair value of its acquired reporting units exceeds the carrying value of the reporting unit's tangible, and goodwill values. See Acquisitions and Mergers, Note 16, for additional information.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Adjustments to estimates are recorded, as appropriate, in periods in which they are determined.

New Accounting Pronouncements — On January 1, 2011, the System adopted ASU Statement No 2010-24, Health Care Entities (Topic 954), Presentation of Insurance Claims & Related Insurance Provisions, which addresses current diversity in practice related to the accounting by health care entities for medical malpractice claims and similar liabilities and their related anticipated insurance recoveries. This update clarifies that a health care entity should not net insurance recoveries against a related claim liability. The amount of the claim liability should be determined without consideration of insurance recoveries. The adoption of ASU Statement No 2010-24 did not have a material impact on the System's consolidated financial statements.

In August 2010, the FASB issued ASU Statement No 2010-23, *Health Care Entities (Topic 954)*. *Measuring Charity Care for Disclosure*, which requires that cost be used as a measurement for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care. It also requires disclosure of the method used to identify or determine such costs. The provisions of ASU Statement No 2010-23 are effective for the System beginning January 1, 2011. The adoption of ASU Statement No 2010-23 did not have a material impact on the System's consolidated financial statements.

In May 2011, the FASB issued ASU 2011-04, "Fair Value Measurement (Topic 820) Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards." The amendments in ASU 2011-04 change the wording used to describe many of the requirements for measuring fair value and for disclosing information about fair value measurements. The amendments include those that clarify the application of existing fair value measurement and disclosure requirements, and, those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The amendments in ASU 2011-04 are effective for the annual reporting period ending December 31, 2012 and are not expected to have a material impact on the System's consolidated financial statements

In July 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) Statement No 2011-07, Presentation and Disclosure of Patient Service Revenue, Provision for

Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities. This statement requires certain health care entities to change the presentation in their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts. It also requires disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The System early adopted the provisions of thisguidance for the year ended December 31, 2011, retroactively effective to January 1, 2010. The incremental effects of applying the provisions on the individual lines of the consolidated financial statements for the year ended December 31, 2010, are as follows.

	Net Patient Service Revenue			
		Effect of		
December 31, 2010	As Previously Reported	Retrospective Application	As Adjusted	
Consolidated statement of operations				
Provision for bad debts	\$ -	\$ 71.980	\$ 71,980	
Net patient service revenue less provision for bad debts	-	786.454	786,454	
Provision for uncollectible accounts	73.376	71,980	1,396	
Consolidated statement of cash flows				
Provision for uncollectible accounts	73.376	71,980	1,396	

3. NET PATIENT SERVICE REVENUE

Net patient service revenue for the years ended December 31, 2011 and 2010, consists of the following

	2011					
	CAMC	CAMC Teays	Integrated	Elimination	Total	2010
Gross patient service billings	\$1.837.245	\$145,629	\$ 62,073	\$ 8	\$ 2,044,955	\$ 1.895,712
Charity care allowances	(60.444)	(6,778)	(1.400)	-	(68.622)	(58,877)
Contractual allowances	(1.001.978)	(78,700)	(28.242)	-	(1.108,920)	(1.005,270)
Medicaid-enhanced payment program revenue Medicaid disproportionate share hospital	15.273	186	-	-	15.459	24.801
payment program revenue	1.455	167			1.622	2,068
Patient service revenue	791,551	60,504	32,431	8	884.494	858,434
Provision for bad debts	(61.734)	(8,772)	(4.397)	1	(74.902)	(71.980)
Net patient service revenue	<u>\$ 729.817</u>	\$ 51.732	\$ 28,034	<u>\$ 9</u>	\$ 809,592	\$ 786,454

The System has agreements with third-party payors that provide for payments at amounts that differ from its established rates. A summary of the payment arrangements with major third-party payors is as follows.

Medicare — Payment for inpatient acute care services rendered to Medicare program beneficiaries and associated medical education, disproportionate share (DSH) and capital cost reimbursement, and capital costs are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services are reimbursed at prospectively determined rates per visit based primarily on an ambulatory payment classification. Some inpatient nonacute services, certain outpatient services, and a percentage of bad debt costs related to Medicare beneficiaries are substantially paid based on a cost-reimbursement methodology. Other amounts related to interns and residents and DSH are paid based on formulas as

defined in the Medicare regulations. The System is paid for cost reimbursable items, interns, and residents and DSH at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. Classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Medicare program.

The Medicare cost reports for CAMC have been audited by the Medicare fiscal intermediary through December 31, 2006, and for the former owner of CAMC Teavs through November 10, 2006

Medicaid — Payments for inpatient services rendered to Medicaid program beneficiaries are primarily reimbursed on a prospective payment system. Outpatient services rendered to Medicaid program beneficiaries are reimbursed primarily at prospectively determined rates per visit based on an ambulatory classification.

PEIA — Inpatient services rendered to PEIA subscribers are reimbursed on a prospective payment system. Outpatient services rendered to PEIA subscribers are reimbursed based on a fee schedule with no retroactive adjustment.

Other — The System has also entered into payment agreements with certain commercial insurance carriers, preferred provider organizations (PPO), and health maintenance organizations (HMO) Payment under the commercial, HMO, and PPO arrangements are primarily based on a percentage of charges

The System's allowance for doubtful accounts for self-pay patients and patient responsibility increased to 93% of self-pay and patient responsibility accounts receivable at December 31, 2011 from 91% of self-pay and patient responsibility accounts receivable at December 31, 2010. The System's allowance for uncollectible accounts increased by \$2,460 to \$20,162 at December 31, 2011 from \$17,702 at December 31, 2010. The System has not changed its charity care or uninsured discount policies during fiscal year 2011 or 2010. The increase relates to change in gross accounts receivable to \$249,677 at December 31, 2011 from \$212,545 at December 31, 2010. The System does not maintain a material allowance for uncollectible accounts from third-party payors, nor does it have a history of significant write-offs from third-party payors.

In both 2011 and 2010, approximately 86% of consolidated net patient service revenue was derived from third-party payment programs (Medicare, Medicaid, Public Employees` Insurance Agency (PEIA), workers` compensation, and various other arrangements), which reimburse the System at amounts that are less than established charges. Net patient service revenue reflects the estimated net realizable amounts due from third-party payors for services rendered, including estimated retroactive adjustments under reimbursement agreements and estimated net realizable amounts due from patients for services rendered.

Medicaid-Enhanced Payment Programs — Under the West Virginia Medicaid Enhanced Payment Programs, the methodology utilized in determining payments is based on the West Virginia State Plans approved on May 15, 2006. The methodology utilizes the following four payment groups urban, rural, tertiary safety net, and rural safety net, and the amounts currently assigned and approved by the Centers for Medicare and Medicaid. During 2011 and 2010, the System recorded \$15,459 and \$24,801, respectively, in reimbursement from the enhanced payment program. The amounts recorded in 2011 and 2010 included onetime payments of \$4,022 and \$13,868, respectively. This reimbursement has been included in net patient service revenue in the accompanying consolidated statements of operations.

Medicaid Disproportionate Share Enhancement Program — Under the West Virginia Medicaid Disproportionate Share Enhancement Program, funds designated by the West Virginia legislature for

disproportionate share hospitals (DSHs) are distributed based on, among other things, each particular hospital's Medicaid inpatient activity and total operating expenses compared to other hospitals in the state. During 2011 and 2010, the System recorded \$1,622 and \$2,068, respectively, in reimbursement from the (DSH). This reimbursement has been included in net patient service revenue in the accompanying consolidated statements of operations. Funds received from this program are subject to retroactive adjustment. Currently, funds received from this program are subject to retroactive adjustment.

The State of West Virginia Disproportionate Share Hospital State Plan (the "DSH State Plan") provides for a settlement process among participating hospitals. The Bureau for Medical Services of the State of West Virginia Department of Health and Human Resources has contracted with a third-party vendor to assist with the audit settlement process for the DSH State Plan. The laws and regulations governing the DSH settlement process are complex, involving statistical data from all participating hospitals, and are subject to interpretation. Accordingly, the System is not able to estimate the impact on the consolidated financial statements for the completion of the DSH settlement process. The ultimate resolution of the settlement process could materially affect the System's future consolidated results of operations or cash flows in a particular period. The State of West Virginia is currently considering a proposal to eliminate the settlement process for 2008 and prior to allow the payments to be considered as settled.

Broad-Based Health Care-Related Tax (Medicaid Provider Tax) — The West Virginia Broad-Based Health Care-Related Tax of 1993 assesses a tax on net patient service revenue at rates varying from 0.35% to 5%, depending on the type of services provided During 2011 and 2010, the System recorded \$19,197 and \$17,755

4. CHARITY CARE AND COMMUNITY SERVICE BENEFIT

The System provides care to patients who meet certain criteria under the approved charity care policy without charge or at amounts less than the established rates. Because the System does not pursue collection of amounts that are determined to qualify as charity care, they are not reported as net patient service revenue. The System maintains records to identify and monitor the level of charity care it provides. These records include the amount of gross charges forgone for direct patient care, which were \$68,622 and \$58,876 for the years ended December 31, 2011 and 2010, respectively

In addition to the charity care provided for direct patient care, the System provides free and below-cost service and programs for the community. The costs of these services and programs are included in compensation and employee benefits and various other expense line items of the System's consolidated statements of operations.

5. ASSETS LIMITED AS TO USE AND INVESTMENTS

Assets limited as to use as of December 31, 2011 and 2010, consist of the following

	2011	2010
Board-designated and restricted funds		
Cash and cash equivalents	\$ 298	\$ 298
Corporate stocks	83,942	79.221
Corporate bonds	38,494	35,852
Alternative investments — limited partnerships	19,425	20,857
Alternative investments — equity trust		8,370
Total board-designated and restricted funds	142,159	144,598
Self-insurance		
Cash and cash equivalents	1.941	2.007
U S Treasury and U S Government Agency Obligations	3.362	3.517
Corporate stocks	8.652	7.398
Alternative investments — limited partnerships	2.748	2.748
Mutual funds invested in equity securities	8.094	10.683
Mutual funds invested in fixed-income securities	4,112	3,625
Total self-insurance	28,909	29.978
Trustee-held cash and cash equivalents		
Debt service reserve fund	15,469	15,500
Acquisition fund	33,824	39,377
Principal and interest fund		
Collateral on derivatives	17,290	4.630
Other trustee-held funds primarily for executive compensation		
programs — mutual funds Other assets	-	2,769
Cash equivalents	381	355
Other	5.886	4,140
Total trustee-held cash and cash equivalents	72,850	66,771
Total assets limited as to use and investments	243.918	241.347
Less current portion	(6,250)	(5,600)
Assets limited as to use and investments — net of current portion	\$237,668	\$235,747

Board-designated and trustee-held funds consist of the Foundation's and CAMC's investments set aside for capital, debt, and other similar expenditures. Self-insurance assets relate primarily to the malpractice and general liability self-insurance program. The trustee-held acquisition project fund was set aside from the proceeds of the 2008 Series A bonds and 2009 Series A bonds for future capital improvements. Trustee-held investments also include funds set aside for certain obligated group debt service requirements (see Note 7). Other assets primarily consist of assets held in trust for deferred compensation and nonqualified supplemental executive retirement plans (SERPs).

6. INVESTMENT INCOME

Investment income and unrealized and realized gains and losses on investments for the years ended December 31, 2011 and 2010, are composed of the following

	2011	2010
Unrestricted		
Interest and dividends	\$ 7,635	\$ 7.593
Realized gain on investments — net	8,965	7,641
Equity (losses) earnings and impairments on alternative investments	(264)	226
Net unrealized (losses) gains	(16,738)	10,256
Total unrestricted (losses) gains	(402)	25,716
Temporarily restricted		
Interest and dividends	794	1,008
Realized gain on investments — net	2,459	1,657
Net unrealized (losses) gains	(3,478)	1,914
Total temporarily restricted (losses) gains	(225)	4.579
Net investment (loss) income and realized and		
unrealized (loss) and gain	<u>\$ (627)</u>	\$30,295

7. LONG-TERM DEBT, LEASE OBLIGATIONS, AND DERIVATIVES

Obligations under long-term debt and capital lease obligations as of December 31, 2011 and 2010, consist of the following

	2011	2010
2010 — Mountaineer Imaging Loan	\$ 8,324	\$ 9,000
2009 Series A Bonds	175,180	177,385
2008 Series A Bonds	126,325	126,970
2008 CAMC Teays Bonds	23,935	24,600
2010 VHA Loan Refinancing	6.146	8,253
2006 Promissory note	6.090	6,370
Other, including capital lease obligations of \$4,486 in 2011 and \$4,925 in 2010	6.350	7.862
Total	352,350	360,440
Less unamortized discount	(2.162)	(2,265)
Total — net of unamortized discount	350,188	358,175
Less current maturities	(7.501)	(8,519)
Total long-term debt and lease obligations	\$342.687	\$349,656

The fair value of the System's debt obligations was \$358,657 and \$361,298 as of December 31, 2011 and 2010. Total outstanding escrowed debt as of December 31, 2011 and 2010, is \$16,000 and \$96,560.

2010 Mountaineer Imaging Loan — In December 2010, CAMC entered into a loan agreement for \$9.000 with Branch Banking and Trust (BB&T) to purchase Mountaineer Imaging. In February 2011, BB&T sold the note with a balance of \$8.918 to Fifth Third Bank. This note is being repaid over 15 years with a fixed principal payment of \$49 and an interest rate of 2 125%. Principal and interest are payable in consecutive monthly installments commencing January 10, 2011, and continuing in equal monthly payments sufficient to fully amortize the debt in 15 years with the outstanding balance of the note being due and payable in full on December 10, 2015. Interest accrues at a variable rate equal to 30-day London InterBank Offered Rate (LIBOR) plus 1.75%. The LIBOR rate is adjusted monthly and aggregated 2.125% as of December 31, 2011. The obligation of CAMC under the loan agreement is evidenced and secured by a promissory note issued under the 1993 restated master trust indenture as supplemented from time to time. All notes issued under the 1993 restated master trust indenture are secured primarily by a security interest in revenue and a deed of trust on the primary hospital facilities.

2009 Series A Bonds — In September 2009, CAMC entered into a loan agreement with the West Virginia Hospital Finance Authority (the "Authority") pursuant to which CAMC borrowed the proceeds of the Authority's \$179,925 fixed-rate hospital revenue refunding and improvement bonds 2009 Series A (CAMC) The coupon rates of the bonds range from a low as 3% to a high of 5 62% depending on maturity. In aggregate, the bonds sold at a net discount of \$2,406, which is being amortized to interest and debt expense over the 23-year life of the issue. Interest on the bonds is payable semiannually and principal is payable annually. Under the terms of the loan agreement, CAMC makes monthly loan repayments sufficient in time and amount to enable the Authority to pay the principal of, and the interest on, the Series 2009 bonds at the times noted above. The obligations of CAMC under the loan agreement are evidenced and secured by a promissory note issued pursuant to a 1993 restated master trust indenture dated January 1, 1993, as supplemented from time to time. All notes issued under the restated master trust indenture are secured primarily by a security interest in revenue and a deed of trust on the primary hospital facilities.

2008 Series A Bonds — In June 2008, CAMC entered into a loan agreement with the Authority pursuant to which CAMC borrowed the proceeds of the Authority's \$127,355 variable-rate revenue bonds 2008 Series A (CAMC) The proceeds from the 2008 Series A bond issue were used primarily to (i) currently refund the Authority's 1995 Series A bonds in the principal amount outstanding of \$27,540. (ii) refinance an outstanding bank loan in the aggregate principal amount of \$4,915. (iii) pay or reimburse certain capital expenditures made, or to be made, by CAMC with an initial deposit to a trustee-held project acquisition fund in the amount of \$91,085, and (iv) pay for the cost of issuing the 2008 Series A bonds. The project acquisition fund is a component of assets limited as to use appearing in the consolidated balance sheets. The bonds require the payment of principal and interest through September 1, 2037. The bonds are multimodal variable-rate demand obligations supported by credit enhancement and a liquidity facility.

The timely payment of principal and interest on the 2008 Series A bonds and the purchase price of tendered bonds are secured by an irrevocable, transferable direct pay letter of credit issued by a bank. The letter of credit will expire on June 19, 2014, unless renewed, and may be replaced by a substitute letter of credit. Should any portion of the bonds not remarket, the holders of said bonds may tender them to the bank holding the direct pay letter of credit. Draws on the letter of credit which cannot be remarketed after 90 days will begin repayment over 10 years with a balloon payment at the end of five years. There was no remarketing in 2011. Interest on the 2008 bonds is variable and can bear interest at a daily rate or a weekly rate as determined by a remarketing agent. Interest accrues at the minimum rate of interest, which, in the judgment of the remarketing agent under then-existing market.

conditions, would result in the sale of the 2008 bonds on such rate determination date at a price equal to the principal amount thereof, plus interest accrued through the rate period. As of December 31, 2011, the rate was 0.10%

2008 CAMC Teays Bonds — On September 30, 2008, CAMC Teays entered into a loan agreement with the Authority pursuant to which CAMC Teays borrowed the proceeds of the Authority's \$26,000 variable-rate revenue bonds. The proceeds from the 2008 bond issue were used primarily to (i) refinance \$21,744 of the 2006 promissory note referenced above and. (ii) pay or reimburse certain capital expenditures made, or to be made, by CAMC Teays with a deposit to a trustee-held project acquisition fund in the amount of \$4,256. CAMC is a guarantor of this debt. The bonds require the payment of principal and interest through September 30, 2013. Principal is amortizing as if the debt is repaying over 25 years in equal monthly installments of \$50. At the end of five years, a balloon payment is due for the remaining principal and accrued interest. The associated note carries a variable monthly interest rate equal to 78 00% of LIBOR, plus 80-basis points (0.80%), which aggregated 0.99% as of December 31, 2011.

2010 VHA Loan Refinancing — In November 2010, CAMC refinanced a 2004 VHA Central Atlantic, Inc (VHA), loan when it entered into a loan agreement with the Authority, pursuant to which CAMC borrowed the proceeds of the Authority's tax-exempt Hospital Revenue Bond, 2010 Series A (CAMC) Principal and interest are payable in consecutive monthly installments commencing on December 1, 2010, and continuing in equal monthly payments sufficient to fully amortize the debt in four years. Interest accrues at a variable rate equal to 78% of 30-day LIBOR, which is adjusted monthly, plus 0 975% and aggregated 1 19% as of December 31, 2011. The obligation of CAMC under the loan agreement is evidenced and secured by a promissory note issued under the 1993 restated master trust indenture as supplemented from time to time. All notes issued under the 1993 restated master trust indenture are secured primarily by a security interest in revenue and a deed of trust on the primary hospital facilities.

2006 Promissory Note — Taxable note for CAMC Teays with a financial institution guaranteed by CAMC The 2006 Promissory Note carries a variable monthly interest rate equal to the LIBOR, plus 80-basis points (0 80%), which aggregated 1 25% as of December 31, 2011 Interest on the note is paid monthly in arrears on the first business day of each month through an amended maturity date of January 1, 2014

Other — CAMC is a general partner in two medical office building partnerships, each organized as general partnerships. CAMC owns a 79% interest in the general division medical office building partnership and an 89% interest in the women and children's medical office building partnership

The West Virginia Hospital Finance Authority Hospital Refunding Revenue Bonds, bearing interest at a fixed rate of 7 25%, were issued to the general division partnership in October 1993. These bonds were guaranteed by CAMC. To achieve debt service savings, CAMC loaned the Partnership the principal amount of \$1,445 for the purpose of refinancing these bonds. The new note will be payable in monthly installments of \$9,581 and shall bear interest initially at 2.42% and will be adjusted quarterly to be charged at the higher of LIBOR, plus 1.75% or the Internal Revenue Service (IRS) Code Section 1274(d) Mid-Term Rate. The note is secured by real estate and matures on February 18, 2016, and is based on a 180-month amortization period.

A women and children's partnership note payable to bank was due to be refinanced, and on January 31, 2011. CAMC loaned the Partnership funds sufficient to repay the bank note and any costs associated with refinancing in the amount of \$625. The new note will be payable in monthly installments of \$6 and shall bear interest initially at 2 31% and will be adjusted quarterly to be charged at the higher of LIBOR.

plus 1 75% or the IRS Code Section 1274(d) Mid-Term Rate. The note is secured by real estate and matures on January 31, 2016, and is based on a 120-month amortization period. The interest rate as of December 31, 2011 was 1 91%

CAMC maintains a working capital line of credit with a local bank. The borrowing availability under the line is \$10,000 as of December 31, 2011. The working capital line of credit expires on December 31, 2012. No balance was outstanding at December 31, 2011. A note securing the line of credit has been issued under the restated master trust indenture.

As of December 31, 2011 and 2010, there was \$1.516 committed to an undrawn workers' compensation recurring letter of credit that renews every August 1. A note securing the letter of credit has been issued under the 1993 restated master trust indenture. Subsequent to year-end, the letter of credit was terminated and replaced with two letters of credit totaling \$4.709.

CAMC is one of three charter members of HealthNet. Inc. (HNET), a West Virginia nonprofit corporation, that provides air medical transportation service to the patient population. HNET is not a consolidated entity within the Parent. In 2009, CAMC issued a guarantee in the aggregate amount of \$5.213 to support the acquisition, renovation, and replacement of a medical helicopter. As of December 31, 2011, CAMC had not been called upon to make payments under the guarantee agreement CAMC has recorded a \$4.486 and \$4.925 as of December 31, 2011 and 2010, respectively, capital lease obligation, which is included in property, plant, and equipment in the consolidated balance sheets.

Security — All bonds, direct pay letters of credit, and VHA loan draws are secured by promissory notes given to the Authority and issued under the 1993 restated master trust indenture. The promissory notes are secured by a pledge of revenue and a deed of trust lien on the principal hospital facilities.

Obligated Group — The Foundation and CAMC are members of the obligated group (CAMC and the Foundation), in accordance with the provisions of the 1993 restated master trust indenture, and are jointly and severally liable for the performance of all covenants and obligations contained in the 1993 restated master trust indenture and in the related notes and guarantees 2008 Series A bonds, 2008 CAMC Teays bonds, 2009 Series A bonds, and various notes and lines and letters of credit are obligations under the master trust indenture. The Foundation's restricted net assets are not available to satisfy obligations of the obligated group.

Debt Covenants — In connection with the long-term obligations detailed above, members of the obligated group are subject to certain restrictive covenants that require, among other items, the obligated group to maintain certain financial ratios as defined in the debt agreements and to make certain informational filings with its creditors

Debt Service Requirements — The System is required to make the principal payments under long-term debt and capital lease obligations as of December 31, 2011, are as follows

				Bond Series		2006	Other —	
	Mountaineer Imaging	VHA	2009A	2008A	2008A CAMC Teays	Promissory Teays Note	Including Capital Leases	Total
2012	\$ 595	\$2,107	\$ 2,190	\$ 825	\$ 693	\$ 280	\$ 812	\$ 7,502
2013	595	2,107	2,600	960	722	280	643	7,907
2014	595	1.932	5,445	1.045	752	280	673	10,722
2015	6.539	-	5,935	1.455	776	5,250	705	20,660
2016	-	-	6,150	1,600	785	-	736	9,271
Thereafter			152,860	120,440	20,207		2.781	296.288
Total	\$8.324	\$6,146	\$175,180	\$126.325	\$ 23,935	\$6,090	\$6,350	\$352,350

Derivatives — The System has entered into floating-to-fixed and floating-to-floating interest rate swap agreements, and an interest rate cap agreement in connection with its debt management program. The objective is to reduce the amount of interest related to outstanding debt obligations. Consistent with its interest rate risk management objective, the System entered into various interest rate swap agreements that are not designated as hedging instruments with a total outstanding notional amount of \$388.847 at December 31, 2011, and \$392.379 at December 31, 2010. Net interest paid or received under the swap agreements is included in the consolidated statements of operations as a component of interest and debt expense while the change in the fair value of the derivative is reported separately in the consolidated statements of operations.

The System's interest rate swap agreements as of December 31, 2011 and 2010, are as follows

	Expiration		Notional Amount	
Swap Type	Date	System Pays	2011	2010
Floating	September 1, 2032	BMA Municipal Bond Index rate	\$150,500	\$ 152,725
Interest Rate Cap Fixed	September 1, 2012 September 4, 2027	7 5%* USD-Securities Industry and Financial Markets Association Municipal	60,000	60.000
Fixed Fixed	September 1, 2037 October 1, 2013	Bond Index 4 19 % 3 35 %	50,000 104,355 23,992	50,000 105,000 24,654
			\$388,847	\$392,379

^{*} Instrument caps System interest rate exposure, as counterparty will refund the System interest costs above 7.5% related to the notional amount

The reporting location and amounts of the values for the System's interest rate swap agreements as of December 31, 2011 and 2010, are as follows

		Liability	Derivatives	tives			
Derivatives Not	2011		2010				
Designated as Hedging Instruments Under Statement 133	Consolidated Balance Sheet Location	Fair Value	Consolidated Balance Sheet Location	Fair Value			
Interest rate swap agreements	Derivative obligation	\$28,006	Derivative obligation	\$12,730			

The reporting location and amounts of derivative (gains) and losses on the System's interest rate swap agreements as of December 31, 2011 and 2010, are as follows

Derivatives Not Designated as	Consolidated Statemen	Consolidated Statements of Operations		
Hedging Instruments Under Statement 133	Location of Loss Recognized	2011	2010	
Interest rate swap agreements	Change in the fair value of the derivatives	\$15,276	\$6.150	

Net interest paid and received on the System's interest rate swap transactions was an expense of \$2,858 and an expense of \$2,880 for the years ended December 31, 2011 and 2010, respectively. This is included in interest and debt expense in the accompanying consolidated statements of operations

Generally, the counterparty to the CAMC interest rate swap transactions could force an early termination on most of the transactions if the obligated group's underlying credit rating declines from A3 to Baa2 or below as determined by Moody's Investors Service, if the obligated group fails to post collateral or if the obligated group fails to make swap payments. Aggregate termination payments would approximate the fair market value of the outstanding instruments as reported above.

To evidence its obligations under the derivatives, promissory notes were negotiated by CAMC and the swap counterparty to give the swap counterparty security for CAMC's obligations under the derivative agreements. The actual obligation of CAMC on these notes may vary significantly from the nominal amounts of each note. No amounts are outstanding under these notes.

Under the terms of several of the derivative contracts, CAMC is required to maintain collateral posted with the counterparty to secure a portion of the estimated value of the derivative instruments when said instruments are valued in favor of the counterparty, as periodically determined by the counterparty Collateral must be posted when the applicable aggregate derivative values exceed \$10,000 in favor of the counterparty. As of December 31, 2011 and 2010, \$17,290 and \$4,630, respectively, of collateral had been posted. The System's accounting policy is not to offset collateral amounts against fair value amounts recognized for derivative instrument obligations. Accordingly, the posted collateral is included in assets limited as to use in the accompanying consolidated balance sheets.

Operating Lease Agreements — The System leases various land, computer, office, and movable equipment under noncancelable operating lease agreements expiring at various dates through 2020 Payments required under the noncancelable operating lease agreements as of December 31, 2011, is as follows

\$ 4.215
2,022
1,165
1,092
1,840
1,952
\$12.286

Total expense for operating leases, which is included in supplies and other in the accompanying consolidated statements of operations, was \$5,684 and \$4,490 for the years ended December 31, 2011 and 2010, respectively

8. LIABILITIES FOR SELF-INSURANCE RESERVES

Certain of the System's subsidiaries are self-insured for professional malpractice and general liability claims through the CAMC Health System Inc. and Affiliates Malpractice Self-Insurance Trust (the "Trust") Participating affiliates have proportionate rights to the Trust's account balance held under the custodial management of a bank trust department and can withdraw from the Trust, subject to certain actuarially determined thresholds. The Trust's account is used for payment of any professional malpractice and general liability losses, expenses relating thereto, costs of administering the Trust, and insurance premiums for coverage in excess of the self-insured limits.

Contributions to the Trust are made as determined using statistical analysis by an independent actuarial valuation of occurrence-based risks, which includes consideration of incurred but not reported claims exposure. The System's methodology for estimating this self-insured obligation is a simulation modeling approach largely dependent on the System's actual loss history. As of December 31, 2011 and 2010, the System has recorded \$22,360 and \$21,115, respectively, as the liability for self-insured asserted and unasserted professional malpractice and general liability claims. The estimated current portion of \$6,250 in 2011 and \$5,600 in 2010 is included in self insurance reserves in the accompanying consolidated balance sheets. The estimated liability for such malpractice and general liability claims has been discounted using a discount rate of 0.5% in 2011 and 1% in 2010. While the ultimate amount of costs incurred under the System's self-insured programs is dependent on future developments, in management's opinion, recorded reserves are adequate to cover the future settlement of claims. However, it is reasonably possible that recorded reserves may not be adequate to cover the future settlement of claims. Adjustments, if any, to estimates recorded resulting from ultimate claim payments will be reflected in operations in the periods in which such adjustments are known.

The malpractice self-insurance limits are a maximum \$3,000 per occurrence and a maximum annual aggregate limit of \$12,000 for May 1 2001 through April 30, 2002, \$5,000 per occurrence and a maximum annual aggregate limit of \$20,000 for May 1 2002 through April 30, 2003, \$7,000 per occurrence and a maximum annual aggregate limit of \$25,000 for May 1, 2003 through April 30, 2004, \$10,000 per occurrence and a maximum annual aggregate limit of \$30,000 for May 1, 2004 through

April 30, 2005, \$10,000 per reported claim and a maximum annual aggregate limit of \$30,000 for the six years from May 1, 2005 through April 30, 2011, and \$10,000 per reported claim and a maximum annual aggregate limit of \$25,000 for May 1, 2011 through April 30, 2012

Certain members of the System are also self-insured for workers' compensation, unemployment compensation, and disability and employee health insurance. The workers' compensation plan's trust fund is under the custodial management of a bank trust department. The workers' compensation obligation recorded in accounts payable and accrued expenses in the accompanying consolidated balance sheets for these programs is \$1.802 and \$2.275 at December 31, 2011 and 2010, respectively, and is estimated using statistical analyses by consulting actuaries. The current portion for workers compensation was \$579 and \$723 at December 31, 2011 and 2010. Beginning, January 1, 2012, all members became insured for workers' compensation. Due to excessive assessments by the West Virginia Insurance Commissioner's office which is responsible for administering the self insurance program across the State of West Virginia, the System no longer found it to be financially feasible to remain self insured for workers compensation exposures. Self insured workers compensation obligations as of December 31, 2011 are reserved as claims prior to the effective date of January 1, 2012, including incurred but not reported claims. The System expects the self insured liability will be completely liquidated within 24 to 36 months. New claims beginning January 1, 2012 will be administered under a high deductible insured program with limits of \$1,000 per occurrence and \$3,000 annual aggregate.

As noted above, certain members of the System are self-insured employers for employee workers' compensation claims in the State of West Virginia. The System is subject to risk pools (security and guaranty) for the benefit of self-insured employers. The risk pools are utilized to fund the claims payments of default and bankrupt self-insured employers. Under the security pool, the System is required to maintain a \$1.516 letter of credit to secure claims with dates of injury on or prior to June 30, 2004. The System and other pool participants are required to pay annual guaranty pool assessments until the guaranty pool contains the sum of \$30.000 or 5% of the estimated total claims liability of all self-insured employers. In the event that actual claim defaults exceed the amounts of defaulted claim reserves, additional amounts may be assessed to the self-insured employers to fund the guaranty pool. The System's contributions to the guaranty pool were \$8 and \$6 for 2011 and 2010, respectively. The amount of the System's liability in respect to potential assessments cannot be estimated. Accordingly, no accrual for such liability has been reflected in the consolidated financial statements. Subsequent to year-end, system members that were self-insured became insured. With the move to insured status, the System subsequently provided a letter of credit in favor of the West Virginia Insurance Commission in the amount of \$3.764 and a letter of credit in favor of an excess/stop-loss insurer in the amount of \$945.

9. RETIREMENT OBLIGATIONS

SERPs — The System has adopted several SERPs for the benefit of corporate officers. The SERPs, when combined with the retirement savings plan, are intended to provide corporate officers with a retirement benefit from all System sources (including 50% of social security benefits) ranging from approximately 55% to 60% of the officer's average compensation during his or her final five years of employment with an assumed normal retirement age of 60. Generally, an officer may become fully vested in SERPs' benefits at age 60 with at least 30 years of service. Partial vesting in these benefits begins at age 55 with at least five years of service. Benefit payments under these plans generally do not commence until 24 months after termination of employment. No benefits are payable under the SERPs should the officer, who is otherwise eligible for benefits, enter into competition with the System during the 24 months following termination of employment. The SERPs are nonqualified plans. The plans were amended to comply with Section 409a of the Internal Revenue Code, including the substantial risk of forfeiture requirements.

The table below sets forth the change in the benefit obligation of the SERPs for the years ended December 31, 2011 and 2010, using a December 31 valuation date. The table also reflects the funded status of the plans

Change in Projected Benefit Obligation	2011	2010
Benefit obligation at beginning of year	\$6,641	\$ 9.325
Plan assumption adjustment	-	(1.238)
Service cost	362	511
Interest cost	225	373
Actuarial loss/(gain)	2,683	18
Benefits paid	(846)	(2.367)
Plan amendments	39	19
Projected benefit obligation (underfunded status) at end of year	<u>\$9,104</u>	<u>\$ 6,641</u>

The long-term portion of this obligation is \$7.499 and \$5.811 and is included in retirement obligations, while the current portion is \$1.605 and \$830 and is included in accrued payroll and payroll-related expenses in the accompanying consolidated balance sheets. The accumulated benefit obligation for the SERPs was \$9.104 and \$6.641 at December 31, 2011 and 2010, respectively

Included in unrestricted net assets at December 31, 2011, are the following amounts that have not yet been recognized in net periodic benefit cost unrecognized actuarial gain of \$3,942 and unrecognized net prior service cost of \$456. The actuarial loss and prior service cost expected to be recognized are \$1,761 and \$204, respectively, during the year ending December 31, 2012.

The majority of the SERPs' benefits are not funded. Certain assets approximating \$1.813 and \$1.739 at December 31, 2011 and 2010, respectively, are maintained in a separate account to fund benefits under the plans. Contributions of \$143 and \$0 were made into this account in 2011 and 2010, respectively. Such assets are subject to general creditors of the System. The System expects to contribute approximately \$143 to its SERP plans in 2012.

The benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the SERP plans during the years ended as follows

December 31

2012	\$1,604
2013	1,446
2014	637
2015	1,306
2016	1,568
2017–2020	5,535

The components of net periodic benefit cost for SERP plans for the years ended December 31, 2011 and 2010, as follow

	2011	2010
Service cost	\$ 362	\$ 511
Interest cost Settlement charge	225 367	374 622
Actuarial loss/(gain) Amortization of prior service cost	120 270	202 415
•		
Net periodic benefit cost	<u>\$1,344</u>	<u>\$2,124</u>

Actuarial assumptions for the plans for the years ended December 31, 2011 and 2010, as follow

	2011	2010
Weighted-average assumptions used to determine net periodic		
benefit cost for the years ended December 31		
Discount rate	3 65 %	4 35 %
Expected rate of compensation increase	4 50	4 50
Weighted-average assumptions used to determine benefit obligations as of December 31		
Discount rate	3 15 %	3 65 %
Rate of compensation increase	4 00	4 50
Lump-sum interest rate	2 50	3 50

Postretirement Benefits Other Than Pensions — Effective May 1, 1998, employees were notified of the discontinuation of other postretirement benefits (OPEBs), except for a grandfathered group of participants. In accordance with the establishment of accounting standards for employers' accounting for postretirement benefits other than pensions (postretirement benefits), as of the effective date, CAMC ceased recognizing service costs related to the health care component of the benefit. However, life insurance and sick day buyout benefits continue to be offered. CAMC changed the design of the plan to eliminate prescription drug benefits for all retirees effective January 1, 2006. Medical benefits for certain classes of retirees are 100% retiree paid beginning in 2006.

Beginning with the 2005 valuation, the effects of the changes to the drug plan were amortized over three years, as that is the time over which the drug plan still exists. The effect of these changes to the grandfathered medical benefits, however, were recognized over the average remaining future lives of those participants who were affected since the medical plan was going to continue to be offered. However, effective January 1, 2006, CAMC discontinued its retiree medical and drug plan for both. Medicare-eligible participants and those who have yet to attain Medicare eligibility, except for a small number of grandfathered employees. Additionally, the amortization period of the unrecognized prior service credit and net actuarial loss at December 31, 2005, related to the retiree medical and drug plan was amortized over two years beginning in 2006. Beginning in 2007, unrecognized amounts are primarily subject to a one-year amortization period.

The table below sets forth the change in the plan assets and benefit obligation of the postretirement benefits for the years ended December 31, 2011 and 2010, using a December 31 valuation date. The table also reflects the funded status of the plans

Change in Projected Benefit Obligation	2011	2010
Benefit obligation — beginning of year	\$4,112	\$3,654
Service cost	54	54
Interest cost	166	170
Actuarial loss/(gain)	(349)	477
Plan amendments		
Benefits paid	(266)	(243)
Benefit obligation (underfunded status) — end of year	\$3.717	\$4,112

The postretirement benefits are unfunded Employer contributions and benefits paid were \$265 and \$252 for the years ended December 31, 2011 and 2010, respectively

A summary of projected benefit payments for the years ending December 31 follows

2012	\$ 428
2013	426
2014	402
2015	387
2016	356
2017–2020	1,502

The postretirement benefit expense for the years ended December 31, 2011 and 2010, was as follows

	2011	2010
Service cost of benefits earned	\$ 54	\$ 54
Interest cost	166	170
Actuarial gain	162	<u>96</u>
Not nomedia postrotiroment avnence	\$ 382	¢ 220
Net periodic postretirement expense	<u>\$ 382</u>	<u>\$320</u>

The postretirement benefit plan is not funded. The current portion of the obligation is \$428 and is included in accounts payable and accrued expenses in the accompanying consolidated balance sheets. The long-term portion is \$3,308 and is included in retirement obligations in the accompanying consolidated balance sheets. For measurement purposes, an annual rate of increase in the per capita cost of covered health care benefits of 8%, declining to 5%, was assumed for 2015 and thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported. A discount rate of 3 60% and 4 25% was used for the medical plan for the years 2011 and 2010, respectively. The discount rate was 3 60% and 4 25% for the life insurance and sick day buyout and was used to determine the postretirement benefit obligation as of December 31, 2011 and 2010.

Retirement Savings Plan — All employees of participating employers (CAMC, Integrated, the Institute, CAMC Teays, and the Foundation) are eligible to participate in a retirement savings plan Employees may contribute from 1% to 100% of their salary to the plan, subject to certain limitations, and the employers will match from 1% to 6% based on the employees 'years of service Total employer

contributions to the retirement savings plan were \$10,710 and \$10,091 during 2011 and 2010, respectively, which is included in employee benefits in the accompanying consolidated statements of operations

10. RELATED-PARTY TRANSACTIONS

West Virginia University (WVU) employs physicians who provide medical education and supervision to the resident physicians employed by CAMC In 2011 and 2010, CAMC provided \$11,356 and \$11,115, respectively, to WVU for the physicians who teach and supervise the resident physicians. The fee paid to WVU is included in supplies and other expense in the accompanying consolidated statements of operations. CAMC has committed \$13,930 to further support WVU during 2012 for the use of the teaching and supervising physicians.

CAMC. Cabell Huntington Hospital, and West Virginia University Hospital are members of HNET Each member's legally controlled percentage is 33-1/3% HNET is a West Virginia nonprofit corporation that provides aeromedical transport service, which the IRS has determined is recognized as exempt from federal income tax under Section 501 (c)(3) of the Code Members are required to support HNET to the extent that expenses exceed revenues. For the years ended December 31, 2011 and 2010, HNET expenses exceeded revenues by \$2,832 and \$889, respectively. The excess was distributed to the members during the following fiscal years. HNET also reimburses CAMC for operating expenses incurred on its behalf, as well as for certain financial services. HNET reimbursed CAMC \$4,236 in 2011 and \$3,703 in 2010 for such services. Amounts due from HNET included in other receivables were \$4,207 and \$4,278 at December 31, 2011 and 2010, respectively.

11. FUNCTIONAL EXPENSES

The functional expenses related to the System's operations as of December 31, 2011 and 2010, are as follows

	2011	2010
Provision of health care and related services	\$ 594,950	\$632,337
General and administrative	218,411	185,934
Change in fair value of derivative	15,276	6,150
	\$828.637	\$824,421

12. COMMITMENTS, CONTINGENCIES, AND LITIGATION

Entities of the System are party to a number of law suits. It is not possible at the present time to estimate the ultimate legal and financial liability, if any, with respect to certain law suits. In the opinion of management, after consultation with counsel, adequate insurance and self-insurance reserves exist in the event of any significant financial exposure. Accordingly, in the opinion of management, resolution of those matters is not expected to have a material adverse effect on the System's consolidated financial position. However, depending on the amount and timing of such resolution, an unfavorable resolution of some or all of these matters could materially affect the future consolidated results of operations or cash flows in a particular period.

On February 7, 2008, a jury returned a verdict against CAMC in a law suit filed prior to December 31, 2007. The law suit concerned a physician's medical staff privileges. The jury returned a verdict against CAMC in the amount of \$5,000 compensatory damages and \$20,000 punitive damages for a total of

\$25,000 in damages CAMC recorded an obligation and related expense totaling \$26,000 for this matter in its 2007 consolidated financial statements. The circuit court reduced the compensatory damages to \$2,000 and the punitive damages to \$8,000, thereby reducing the total award from \$25,000 to \$10,000. and CAMC reduced its previously recorded obligation and reduced related litigation expense in its 2008 consolidated financial statements. The case was settled on appeal for \$11,500. The settlement was funded by CAMC \$1,955 and two of CAMC's insurance carriers. Executive Risk Indemnity Co (ERI) \$8,050 and Employers Reinsurance Corporation (ERC) \$1,495, pursuant to a nonwaiver agreement under which the parties preserved their right to negotiate or litigate among themselves with respect to the portion of the settlement, if any, each should bear ERC and ERI filed declaratory actions in U S district court. In May, 2011, Judge Goodwin ruled in favor of CAMC against ERC and in favor of ERI against CAMC. The parties negotiated and settled the dispute in lieu of pursing further appeals. ERI agreed to settle with CAMC a total of \$8,250 ERI submitted a check to CAMC for \$200 which is the difference between the funded amount and settlement amount ERC agreed to accept a payment of \$1,250 from CAMC, effectively allowing CAMC to retain the benefit of \$245 of the amount that ERC funded previously under the nonwaiver agreement. The obligation previously recorded and reflected in the consolidated balance sheet as of December 31, 2010, was \$9,545 this amount was relieved through Litigation Settlement on the Consolidated Statement of Operations during 2011

Rate Regulation — The Health Care Authority (HCA) is empowered, by provisions of the West Virginia Code, to regulate CAMC and CAMC Teays' gross patient revenues from nongovernment payors and to evaluate health care entity financial performance. This is accomplished by issuing rate orders, based on facility operating budgets and rate schedules, and through evaluating performance and compliance reports submitted by CAMC and CAMC Teays on a periodic basis. The addition and deletion of services are also regulated by HCA. For the years ended December 31, 2011 and 2010, CAMC Teays had \$479 and \$479, respectively, of penalties being held in abeyance by the HCA. These penalties relate to underspent wages. These penalties may be used to reduce future rates at such times and in such amounts according to the HCA's discretion. These penalties against CAMC Teays may also be reduced based on an annual plan that CAMC Teays may submit to the Authority outlining community service projects. CAMC Teays must submit such plan to the Authority outlining the community services to be provided in future years along with the amount of the penalty CAMC Teays believes should be eliminated as a result of these services. An obligation is not recorded for such penalties in abeyance in the accompanying consolidated financial statements as the final resolution for such penalties is unknown and the corresponding obligation cannot be estimated.

Asset Retirement Obligations — Guidance regarding the accounting for conditional asset retirement obligations clarified when an entity is required to recognize a liability for a conditional asset retirement obligation. Management has considered the applicable accounting guidance, specifically as it relates to its legal obligations to perform asset retirement activities, such as asbestos removal, on its existing properties. Management does not believe that remediation of such obligations will have a material effect on the consolidated financial statements.

Regulatory Matters — In December 2003, CAMC executed a settlement agreement with the U S Department of Health and Human Services. Office of the Inspector General (OIG) related to billings for Medicaid and Medicare therapy services provided by CAMC from 1999 to 2001. The settlement was agreed upon in order to avoid the possible delay and expense that would be involved in litigating claims made by the OIG that CAMC submitted certain inappropriate billings to the Medicare and Medicaid programs. No admission of wrongdoing by CAMC was made through this agreement. The provisions of this agreement apply to CAMC only, not the Parent or any of its other subsidiaries. As part of the settlement, CAMC agreed to comply with the terms of a Corporate Integrity Agreement (CIA) for a five-year period from the effective date. The CIA requires that CAMC maintain its existing compliance program and that it expand the following areas of compliance activity. training of employees, selected

physicians, and selected contractors, updating and adding to the existing compliance policies and procedures, reporting of overpayments to the OIG, screening employees and others against the exclusion lists maintained by the OIG and the federal general services administration, providing periodic reports to the OIG, and retaining an independent review organization to monitor compliance with the CIA. The reviews completed by the independent review organization to date have indicated that CAMC was below the 5% error threshold stipulated in the CIA. Adequate reserves for these overpayments were established in years prior to 2011 and continue to be maintained. The CIA was closed on September 30, 2011.

Information Technology (IT) Outsourcing — In August 2003, CAMC entered into a 10-year agreement with Siemens Medical Solutions USA. Inc ("Siemens"), for the license, implementation, and support of the software for its core information services applications CAMC's total commitment related to this agreement, aggregating \$41,031, is to be paid in 120 monthly installments of \$342 plus applicable sales tax and subject to an annual adjustment as described in the agreement during the 10-year term Also, under this agreement \$15,000 of penalty credits has accrued to the benefit of CAMC for purchase of additional services or products from Siemens CAMC is recognizing these credits as a reduction of expenses incurred under the Siemens' agreement over the anticipated benefit and usage period of the related modules ranging from 24 to 60 months. Siemens contract expenses, including expenses eligible for capitalization, were reduced by \$294 and \$588 related to the recognition of such credits for the years ended December 31, 2011 and 2010, respectively.

Further, CAMC entered into an IT outsourcing agreement with Siemens concurrently with the execution of the license, implementation, and support agreement. Under the outsourcing agreement, CAMC outsourced to Siemens the services previously provided by its employees, including maintaining software and hardware and providing information systems and telecommunications services to CAMC and its affiliates. The term of the outsourcing agreement is 10 years and may be terminated by CAMC with 30-day notice if Siemens fails to meet or exceed service-level standards, as defined in the agreement. Siemens may terminate the agreement under certain defined conditions with notice that varies by condition. Annual expenditures related to staffing under this outsourcing agreement are expected to approximate \$7,200 over the life of the agreement, subject to an annual adjustment as described in the agreement during the 10 years.

Total fees incurred during the years ended December 31, 2011 and 2010, related to these agreements were \$17,583 and \$14,870, respectively. Of this amount, \$4,540 and \$2,429 was capitalized on December 31, 2011 and 2010, respectively, related to capitalized computer hardware and software costs

In September 2010, CAMC entered into an amended agreement with Siemens, whereby the original agreement was extended by seven years through September 30, 2020 CAMC's total commitment related to the amended agreement for the license, implementation, and support is \$14,188

Gain Contingency — CAMC believes that sales tax was improperly collected from CAMC by various vendors and remitted to the State of West Virginia (the "State") during the period July 2007 to June 2009 for radiopharmaceuticals, drugs, durable medical goods, mobility-enhancing equipment, and prosthetic devices exempt from tax pursuant to the WV Code 11-15-9i, other statutory provisions, and established case law. On August 11, 2009, CAMC submitted a claim for refund of approximately \$9,600 to the state for sales taxes paid to vendors from July 2007 through June 2009. The state paid \$2,276 and \$360 of this claim in 2010 and 2011, respectively, and CAMC has recorded the amount paid as a reduction to expense in the year it was settled. The remainder of this claim has been denied by the state Based on the state's review of CAMC's August 2009 claim, the state notified CAMC of \$1,900 of additional sales tax liability for the period from July 2007 to June 2010, which was recorded as an expense in 2010. On February 14, 2011, CAMC submitted another claim for refund to the state of sales.

tax paid to vendors in the amount of \$1,700 from July 2009 to December 2010. The state paid \$1,381 of this claim in 2011 and CAMC has recorded the amount paid as a reduction to expense in 2011. CAMC will submit a claim for sales tax refund to the state for January 2011 to December 2011 and record any amounts as a reduction to expense in the year they are settled. In November 2011, CAMC and CAMC Teays entered into a direct pay agreement with the state to simplify the sales tax payment and reporting procedures. This agreement will be effective beginning in January 2012.

On March 10, 2010, the IRS Issued IR-2010-25 The issuance of this notice legally committed the IRS to refund Federal Insurance Contributions Act (FICA) tax and pay interest on valid refunds for medical residents FICA taxes for periods ending before April 1, 2005 CAMC filed approximately \$3,500 of medical resident FICA tax refunds during 2010 and as such is subject to IRS determination. CAMC recorded a gain through operating expense during 2010 for the FICA tax refund filed and will record through a reduction to operating expense the interest associated with the FICA tax refund in the period received. The claim included \$983 in FICA tax pertaining to medical residents who were paid by CAMC Health Education and Research Institute (CHERI). The refund claim while residents were paid by CHERI is currently under further investigation by the IRS. In 2011, CAMC reserved \$983 of this claim as potentially being disallowed by the IRS as the protective claims originally submitted to the IRS were filed under CAMC's employer identification number.

Other Commitments — At December 31, 2011, the System has committed approximately \$53,110 in the aggregate over a five-year period for current and planned projects, including new construction, renovations, and equipping of facilities at its Memorial, General, Women and Children's, and CAMC Teays hospitals, as well as cancer center facility. Current plans are for such projects to be funded mainly from 2008 bond proceeds currently on deposit in trustee project acquisition funds included in assets limited as to use

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting guidance on fair value measurements for certain financial assets and liabilities defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. The guidance established a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date and expanded disclosures about instruments measured at fair value. The guidance applies to other accounting pronouncements that require or permit fair value measurements, and accordingly, does not require any new fair value measurements. The System is required to access its credit risk versus its counterparties, this assessment resulted in a decrease in the liability of \$1.500 and \$283, which reduced the System's deficiency of revenues over expenses for the years ended December 31, 2011 and 2010, respectively

As noted above, the guidance establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows.

Level 1 — inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2 — inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument

Level 3 — inputs to the valuation methodology are unobservable and significant to the fair value measurement

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement

The financial instruments carried at fair value as of December 31, 2011, by caption, in the consolidated statement of financial position by the three-level valuation hierarchy defined above, follow

	Level 1	Level 2	Level 3	Total
Investments				
Cash equivalents	\$ 73,211	\$ -	\$ -	\$ 73,211
Equity securities — domestic	133,318	_	5,659	138,977
Equity securities — international	11,088	-	-	11,088
Debt securities issued by U S Treasury and other U S government corporations				
and agencies	41,856	_	_	41,856
Debt securities issued by states of the	11.050			11,000
United States and political subdivisions				
of the states	494	_	_	494
Corporate debt securities	55,522	_	_	55,522
Other	1,651	_	_	1,651
Total investments at fair value	\$317,140	\$ -	\$5,659	\$322,799
Liabilities — derivative obligation	\$	\$28,006	<u>\$ -</u>	\$ 28,006
Total liabilities at fair value	<u>\$ -</u>	\$28,006	\$ -	\$ 28,006
Effect of Level 3 Inputs on Net Assets	Oth Invest	ner Otr ments Limit	ner Assets ed As to Use	e Total
Beginning balance — December 31, 2010	\$ 5.7	96	\$ 248	\$6,044
Sale	φυί	-	(122)	(122)
Total loss — net	(2	56)	(7)	(263)
			<u> </u>	
Ending balance — December 31, 2011	\$5.5	40	\$ 119	\$5,659

The financial instruments carried at fair value as of December 31, 2010, by caption, in the consolidated statement of financial position by the three-level valuation hierarchy defined above, follow

	Level 1	Level 2	Level 3	Total
Investments				
Cash equivalents	\$ 66,466	\$ -	\$ -	\$ 66,466
Equity securities — domestic	115,803	-	6,044	121,847
Equity securities — international	12,985	-	-	12,985
Debt securities issued by U.S. Treasury and other U.S. government corporations				
and agencies	39,872	_	-	39,872
Debt securities issued by states of the United States and political subdivisions				
of the states	207	-	-	207
Corporate debt securities	43,358	-	-	43,358
Other	1,538	-	-	1,538
Total investments at fair value	\$280,229	<u>\$ -</u>	<u>\$6,044</u>	\$286,273
Liabilities — derivative obligation	\$ -	\$12,730	<u>\$ -</u>	\$ 12,730
Total liabilities at fair value	\$ -	\$12,730	<u>\$ -</u>	\$ 12,730
Effect of Lovel 2 Innuts on Not Access	Oth		er Assets	Tatal
Effect of Level 3 Inputs on Net Assets	Invest	ments Limite	d As to Use	Total
Beginning balance — December 31, 2009	\$5.5	80 \$	5 238	\$5,818
Total gain — net		16	10	226
		_		
Ending balance — December 31, 2010	<u>\$5.7</u>	<u> 96</u> <u>\$</u>	<u>S 248</u>	\$6,044

Following is a description of the System's valuation methodologies for assets and liabilities measured at fair value

The following methods and assumptions were used by the System in estimating the fair value of its financial instruments

Cash Equivalents and Short-Term Investments — The carrying amounts reported in the consolidated balance sheets for cash equivalents and short-term investments approximate their fair value

Assets Limited as to Use — The fair value for assets limited as to use, except for alternative investments, is based on quoted market prices, if available, or estimated using quoted market prices for similar securities (see Note 5)

Derivatives — The fair value of the derivative obligation is based on observable inputs from market sources that aggregate data based upon market transactions (see Note 7)

14. ENDOWMENT

Accounting guidance on endowments of not-for-profit organizations provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an

enacted version of the Uniform Prudent Management of Institutional Act of 2006 (UPMIFA) and additional disclosures about an organization's endowment funds. The following disclosures are made as required by the accounting guidance

The System's endowment consists of approximately 101 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the board of trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of trustees of the System has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the System classifies as permanently net restricted assets (a) the original value of gifts donated to the permanent endowment. (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted funds

- a The duration and preservation of the fund
- b The purposes of the System and the donor-restricted endowment fund
- c General economic conditions
- d The possible effect of inflation and deflation
- e The expected total return from income and the appreciation of investments
- f Other resources of the System
- g The investment policies of the System

The System has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the System must hold in perpetuity or for a donor-specific period(s) as well as Board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation, and investment management costs of at least 5% over the long term. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the System relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The System targets a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term objective within prudent risk constraints.

As part of the current spending policy, the System computes a 12-quarter trailing average market value of each portfolio as of the prior June 30 and makes 5% of that amount available for expenditure. The computed value may be adjusted for large contributions, withdrawals, or market value swings as necessary to produce the desired level of cash. With this policy, the annual dollar amount available for spending will be known at the beginning of the year. If necessary, quarterly transfers of approximately 1.25% will be scheduled to be transferred to Foundation's main cash account. The objectives of the

portfolio are the enhancement of capital and real purchasing power while limiting exposure to risk of loss. Real purchasing power or real rate of return will be defined as returns in excess of inflation as defined by consumer price index. At a minimum, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the assets while providing the necessary capital to fund the annual spending policy of 5%, plus an additional 1% to cover administrative expenses. Therefore, the desired minimum rate of return is equal to the consumer price index plus 600 basis points (6%) on an annualized basis. In light of the return requirement, the portfolio is constructed using a total approach with significant portion of the funds invested to seek growth of principal over time. The assets are to be invested for the long term and a higher short-term volatility in these assets is to be expected and accepted.

Changes in endowment funds for the year ended December 31, 2011, consisted of the following

	Temporarily Restricted	Permanently Restricted	Total
Net assets — beginning of the year	\$22,534	\$20,785	\$43,319
Investment return Investment income Net depreciation (realized and unrealized)	747 (899)	<u>-</u> 	747 (899)
Total investment return	(152)		(152)
Contributions Appropriation of endowment assets	2	245	247
for expenditure	(756)		<u>(756)</u>
Net assets — end of year	\$21,628	\$21,030	\$42,658

Changes in endowment funds for the year ended December 31, 2010, consisted of the following

	Temporarily Restricted	Permanently Restricted	Total
Net assets — beginning of the year	\$18,948	\$20.018	\$38,966
Investment return			
Investment income	968	-	968
Net depreciation (realized and unrealized)	3,430		3,430
Total investment return	4.398		4.398
Contributions	2	<u>767</u>	769
Appropriation of endowment assets for expenditure	(814)		(814)
Net assets — end of year	<u>\$22,534</u>	\$20,785	\$43,319

From time to time, the fair value of assets associated with individual donor-restricted endowments funds may fall below the level that the donor or UPMIFA requires the System to retain as a fund of perpetual

duration These deficiencies result from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the board of trustees. There were no significant deficiencies of this nature that are reported in unrestricted net assets as of December 31, 2011 and 2010.

15. UNRESTRICTED NET ASSETS

Unrestricted Net Assets — Changes in consolidated unrestricted net assets attributable to the System and the noncontrolling interest in joint ventures for the years ended December 31, 2011 and 2010, are as follows (in thousands)

	The Parent and its Subsidiaries	Noncontrolling Interests in Joint Ventures	Total
	Subsidiaries	ventures	Total
Unrestricted net assets — December 31, 2009	\$238.657	\$ 271	\$238.928
Excess of revenues over expenses Other changes in unrestricted net assets Net assets released from restrictions for	25,571	811	26.382
capital expenditures Change in retirement obligation actuarial	10	-	10
loss and prior	(380)	_	(380)
Pension assumption adjustment	1,238	_	1,238
Unrestricted fund transfer	(519)	-	(519)
Distribution of noncontrolling interest	-	(755)	(755)
Contributions for capital expenditures	460		460
Increase in unrestricted net assets	26,380	56	26.436
Unrestricted net assets — December 31, 2010	265.037	327	265,364
Excess of revenues over expenses Other changes in unrestricted net assets	18,760	76	18,836
Net assets released from restrictions for capital expenditures Change in retirement obligation actuarial	203	-	203
loss and prior	(1,454)	-	(1.454)
Distribution of noncontrolling interest	-	(199)	(199)
Contributions for capital expenditures	2,269		2.269
Increase in unrestricted net assets	19,778	(123)	19,655
Unrestricted net assets — December 31, 2011	\$284,815	\$ 204	\$285,019

16. ACQUISITIONS AND MERGERS

On December 10, 2010, CAMC executed an asset purchase agreement with Mountaineer Radiologist, Inc., physician owners and operators of an outpatient imaging center. Concurrently, CAMC executed a separate building sale and purchase agreement with Wilson & Zekan Investment Co. to

acquire the building that houses imaging center operations. Under the two asset purchase agreements. CAMC acquired various assets from the two identified entities necessary to continue the operation of an outpatient imaging center, including building, all major and minor equipment and furnishings, certain intangible assets, and the recording of goodwill. The acquisition cost under the two agreements totaled \$7.624 and was financed entirely from loan proceeds with a bank as more fully described in Note 7.

The System's identifiable intangible assets with finite lives are being amortized over their estimated useful lives and are detailed below

	December 31, 2011			D			
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net	_
Trade name trademark Non-compete Non-contract relationships	\$ 140 1,396 4,131	\$ (28) (279) (206)	\$ 112 1.117 3.925	\$ 140 1,396 4,131	\$ - - -	\$ 140 1,396 4,131	5 vear 5 vear 20 vear
	\$ 5.667		\$ 5,154	\$ 5,667		\$ 5.667	

17. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 27, 2012, the date the consolidated financial statements were available to be issued, and no subsequent events require recognition or disclosure, except as noted in Note 13 for the change in sales tax remittance and Note 9 for changes in workers compensation

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OTHER FINANCIAL INFORMATION

CONSOLIDATING BALANCE SHEET AS OF DECEMBER 31, 2011 (Dollars in thousands)

	CAMO		Reclassifications and	Combined Obligated	CAMC Health	1	l44d	T	Reclassifications and	T-4-1
ASSETS	CAMC	Foundation	Eliminations	Group	System	Institute	Integrated	Teays	Eliminations	Total
CURRENT ASSETS										
Cash and eash equivalents	\$ 18,084	\$ 1.411	\$ -	\$ 19,495	\$ -	\$ -	\$ 2	\$ 15	\$ -	\$ 19,512
Short-term investments	94,512	3,596	-	98,108	-	-	-	-	-	98,108
Current portion of assets limited as to use	6,250	-	-	6.250	-	-	-	-	-	6.250
Patient receivables — net of allowances for uncollectible	102 555			102 555			£ 120			115 671
accounts of \$20.162 Other receivables	103,555 12,643	5.686	- (157)	103,555 18,172	193	- 498	5,439 16	6.677 611	-	115,671 19,490
Amounts due from third-party payors	6,367	-	(157)	6,367	193	-	-	132	-	6,499
Affiliate accounts receivable	7,446	3,861	(4,043)	7,264	9	860	2,722	4,866	(15,721)	-
Inventories	16,375	-	-	16,375	-	-	-	1,041	-	17,416
Prepaid expenses and other	4.699	14		4.713		6	206	177		5,102
Total current assets	269,931	14,568	(4,200)	280,299	202	1.364	8,385	13,519	(15,721)	288,048
ASSETS LIMITED AS TO USE										
Self-insurance funds	22.659	-	-	22.659	-	-	-	-	-	22.659
Board bond-designated funds Interest in Foundation's net assets	47,576 27,514	120,832	(27.51.1)	168,408	-	-	-	2,010	- (2.112)	170,418
Other assets limited as to use	23,448	21,029	(27,514)	- 44,477	109	3,112	-	- 5	(3,112)	- 44,591
Total assets limited as to use	121,197	141,861	(27,514)	235,544	109	3,112		2,015	(3.112)	237,668
			<u> </u>							
OTHER INVESTMENTS	20,372			20,372						20,372
PROPERTY, PLANT, AND EQUIPMENT	20.610	5 NO.1		22 742				5 0 10		20.752
Land Buildings and improvements	28,619 327,855	5,084 2,066	-	33,703 329,921	-	182	3,831	5,049 11,982	-	38,752 345,916
Equipment and software costs	469,112	14	-	469,126	-	5,695	6,429	13,324	-	494,574
Construction in progress	12,174	-	_	12,174	_	-	3	-	_	12,177
Total property, plant, and equipment	837,760	7.164		844.924		5.877	10,263	30,355		891,419
Less accumulated depreciation	(570,408)	(236)		(570,644)		(4.521)	(7.287)	(10,613)		(593,065)
Property, plant, and equipment — net	267,352	6.928		274,280		1,356	2.976	19,742		298,354
OTHER ASSETS										
Long-term receivable	5,965	2.611	(1.541)	7,035	4,036	-	-	851	-	11.922
Affiliate long-term receivable	-	-	-	-	-	-	-	-	-	-
Deferred and other long-term assets Investments in subsidiaries	9,878	27	-	9,905	-	-	-	36	-	9,941
C AMC	_	_	_	_	216,052	_		_	(216.052)	
Foundation	-	-	- -	-	134,740	-	-	_	(134,740)	-
Institute	_	_	_	_	3,025	_	_	_	(3,025)	_
Integrated	-	-	-	-	4,939	-	-	-	(4,939)	-
Teays					(2,445)				2,445	
Total other assets	15,843	2,638	(1,541)	16,940	360,347			887	(356,311)	21,863
TOT-AL	\$ 694,695	\$165,995	<u>\$(33,255)</u>	\$ 827,435	\$360,658	\$ 5,832	\$11,361	\$36,163	\$(375,144)	\$ 866,305
		_		_	_	_	_	_		((+

(Continued)

CONSOLIDATING BALANCE SHEET AS OF DECEMBER 31, 2011 (Dollars in thousands)

	CAMC	Foundation	Reclassifications and Eliminations	Combined Obligated Group	CAMC Health System	Institute	Integrated	Teays	Reclassifications and Eliminations	Total
LIABILITIES AND NET ASSETS	5,1115	, canadaon		Gioup	Cyote	motitute	integratea	luyo		10141
CURRENT LI ABILITIES										
Accounts payable and accrued expenses	\$ 48,965	\$ 349	\$ -	\$ 49.314	\$ 3	\$ 1.648	\$ 1.983	\$ 3,297	\$ -	\$ 56,245
Self-insurance reserves	6,250		=	6,250	=		=	-	=	6.250
Derivative obligation	26,806	-	-	26,806	-	-	-	1,200	-	28,006
Deferred revenue	681	-	-	681	-	-	-	-	-	681
Litigation verdict obligation	-		-	-	-	-	-	-	-	
Accrued payroll and payroll-related expenses	40,976	73	-	41.049	-	662	-	-	-	41.711
Estimated amounts due third-party payors	3.881	-	- (4.0.42)	3.881		-	-	1.274	-	5,155
Affiliate payables	12.102	195	(4.043)	8.254	4	497	4.439	2.527	(15.721)	-
Current maturities of long-term debt and capital lease obligations	6.685	-	(157)	6,528	-	-	-	973	- -	7,501 -
										
Total current liabilities	146,346	617	(4.200)	142,763	7	2,807	6,422	9,271	(15,721)	145,549
LONG-TERM LIABILITIES										
Long-term debt and lease obligations less current maturities	315,175	-	(1.541)	313,634	-	-	-	29,053	-	342,687
Retirement obligations	11,189	-	-	11,189	-	-	-	284	-	11.473
Self-insurance reserves	17,333	-	-	17.333	-	-	-	-	-	17,333
Affiliate long-term payables	=	-	=	-	21,780	-	-	-	(21,780)	-
Deferred revenue	8.612		-	8.612	-	-	-	-	-	8.612
Other	1.768	12		1.780						1.780
Total long-term liabilities	354.077	12	(1.541)	352.548	21.780			29.337	(21.780)	381.885
Total liabilities	500,423	629	(5.741)	495.311	21,787	2,807	6.422	38,608	(37,501)	527,434
NET ASSETS										
Unrestricted	188,174	109,406	=	297,580	284,692	(1,242)	4,939	(2.445)	(298,709)	284,815
Noncontrolling interest in joint ventures	204	-	-	204	-	` - ´	-	` -	` - ′	204
Umestricted — total	188.378	109,406		297,784	284.692	(1.242)	4.939	(2.445)	(298,709)	285.019
Receivable from affiliate	(21,780)	_	_	(21,780)	_	-	_		21,780	_
Temporarily restricted	16,553	34,930	(16,393)	35,090	33,187	2,559	_	_	(37,976)	32,860
Permanently restricted	11,121	21.030	(11.121)	21,030	20,992	1,708	-	_	(22,738)	20.992
Total net assets	194,272	165,366	(27.514)	332,124	338,871	3,025	4,939	(2,445)	(337,643)	338,871
TOT-AL										
TOT-AL	<u>\$694.695</u>	<u>\$165.995</u>	<u>\$(33.255)</u>	<u>\$827.435</u>	\$360,658	\$ 5,832	\$11.361	<u>\$36.163</u>	<u>\$(375,144)</u>	<u>\$866.305</u>

(Concluded)

CONSOLIDATING BALANCE SHEET AS OF DECEMBER 31, 2010 (Dollars in thousands)

ASSETS	CAMC	Foundation	Reclassifications and Eliminations	Combined Obligated Group	CAMC Health System	Institute	Integrated	Teays	Reclassifications and Eliminations	Total
CURRENT ASSETS										
Cash and cash equivalents	\$ 34,392	\$ 95	\$ -	\$ 34,487	ď	S -	\$ 2	\$ 3	S -	\$ 34,492
Short-term investments	69,846	3,859	J -	73,705	ъ - -	 -			. -	73,705
Current portion of assets limited as to use	5,600	-	_	5,600	_	_	_	_	_	5,600
Patient receivables — net of allowances for uncollectible	1,0,,,,			.,						1,0,,,,
accounts of \$17,702	92,790	_	=	92,790	_	=	4,361	6,353	=	103,504
Other receivables	14,608	679	-	15,287	184	239	2	783	-	16,495
Amounts due from third-party payors	2,871	-	-	2.871	-	-	-	161	-	3,032
Affiliate accounts receivable	4.979	85	(313)	4,751	5	1.588	1.727	2,769	(10,840)	-
Inventories	14,126		-	14,126				1,094	-	15,220
Prepaid expenses and other	7,172	17		7,189	5	5	83	188		7,470
Total current assets	246,384	4,735	(313)	250,806	194	1,832	6,175	11,351	(10,840)	259,518
ASSETS LIMITED AS TO USE										
Self-insurance funds	24,378	-	-	24,378	-	-	-	-	-	24,378
Board bond-designated funds	53,169	123,519	-	176,688	-	-	-	2,002	-	178,690
Interest in Foundation's net assets	27,870	-	(27.870)	-	-	3,351	-	-	(3.351)	-
Other assets limited as to use	11.784	20,781		32,565	109			5		32,679
Total assets limited as to use	117,201	144,300	(27,870)	233,631	109	3,351		2,007	(3,351)	235,747
OTHER INVESTMENTS	20,629			20,629						20,629
PROPERTY. PLANT. AND EQUIPMENT Land Buildings and improvements Equipment and software costs Construction in progress	25.314 315.951 447.520 13.678	5,820 6,856 15	- - - -	31,134 322,807 447,535 13,678	- - -	203 4.926	3,095 5,682	5,049 12,097 12,177 10	- - - -	36.183 338.202 470.320 13.688
Total property, plant, and equipment	802,463	12,691	-	815,154		5,129	8,777	29,333	-	858,393
Less accumulated depreciation	(537.688)	(1.719)		(539,407)		(4,094)	(6.711)	(8,570)		(558,782)
Property, plant, and equipment — net	264,775	10,972		275,747		1,035	2,066	20,763		299,611
OTHER ASSETS Long-term receivable Affiliate long-term receivable	5,344	1.210	-	6,554	4,229	-	-	350	-	11.133
Deferred and other long-term assets Investments in subsidiaries	10,640	30	-	10,670	-	-	-	54	-	10,724
C AMC	-	-	-	-	200,425	-	-	-	(200,425)	-
Foundation	-	-	-	-	129,334	-	-	-	(129, 334)	-
Institute	=	-	=	-	3,053	=	=	=	(3.053)	=
Integrated	-	-	-	-	2,902	-	-	-	(2,902)	-
Teays					(5,069)				5,069	
Total other assets	15,984	1,240		17,224	334,874			404	(330,645)	21,857
TOTAL	\$ 664,973	\$161,247	<u>\$(28,183)</u>	\$ 798,037	\$335,177	\$ 6,218	<u>\$ 8.241</u>	\$34,525	<u>\$(344.836)</u>	\$837,362

(Continued)

CONSOLIDATING BALANCE SHEET AS OF DECEMBER 31, 2010 (Dollars in thousands)

LIABILITIES AND NET ASSETS	CAMC	Foundation	Reclassifications and Eliminations	Combined Obligated Group	CAMC Health System	Institute	Integrated	Teays	Reclassifications and Eliminations	Total
CURRENT LIABILITIES Accounts payable and accrued expenses	\$ 50,851	\$ 343	\$ -	\$ 51,194	\$ 6	\$ 2,231	\$ 1.411	\$ 3,565	s -	\$ 58,407
Self-insurance reserves	5,600	5 343	5 -	5,600	3 0	5 2,231	D 1.411	\$ 3,303	3 -	5.600
Derivative obligation	11,092	_	-	11,092	-	_	_	1,638	_	12,730
Deferred revenue	980	_	<u>-</u>	980	_	_	_	-		980
Litigation verdict obligation	9,545	_	<u>-</u>	9,545	_	_	_	_		9,545
Accrued payroll and payroll-related expenses	36,247	53	-	36,300	_	572	-	1.768	_	38,640
Estimated amounts due third-party payors	753	-	_	753	_	-	_	692	_	1.445
Affiliate payables	5,722	281	(313)	5,690	_	362	3,928	860	(10,840)	-
Current maturities of long-term debt and	7,474	-	-	7,474	_	-	-	1.045	-	8,519
capital lease obligations	-	-	-	-	=	-	-	-	=	-
Total current liabilities	128,264	677	(313)	128,628	6	3,165	5,339	9,568	(10.840)	135,866
LONG-TERM LIABILITIES										
Long-term debt and lease obligations less current maturities	319,630	-	_	319,630	_	-	-	30,026	_	349.656
Retirement obligations	9.794	-	-	9.794	-	-	-	<u>-</u>	=	9.794
Self-insurance reserves	17,068	-	-	17,068	-	-	-	-	-	17,068
Affiliate long-term payables	-	-	-	-	22,441	-	-	-	(22,441)	-
Deferred revenue	9.417	-	-	9.417	-	-	-	-	-	9.417
Other	2.760	15		2.775						2.775
Total long-term liabilities	358.669	15	<u> </u>	358.684	22.441			30,026	(22.441)	388,710
Total habilities	486.933	692	(313)	487.312	22.447	3,165	5.339	39.594	(33.281)	524.576
NET ASSETS										
Unrestricted	172,032	110,963	-	282,995	264,981	(1,300)	2,902	(5,069)	(279.472)	265,037
Noncontrolling interest in joint ventures	327			327						327
Umestricted — total	172.359	110,963	-	283.322	264.981	(1.300)	2.902	(5.069)	(279.472)	265,364
Receivable from affiliate	(22,441)	-	-	(22.441)	-	-	-	-	22,441	-
Temporarily restricted	17,239	28,807	(16,987)	29,059	27,001	2,647	-	-	(32,032)	26,675
Permanently restricted	10,883	20,785	(10,883)	20,785	20,748	1,706			(22.492)	20,747
Total net assets	178,040	160,555	(27,870)	310,725	312,730	3,053	2.902	(5.069)	(311,555)	312,786
TOT-AL	\$664.973	\$161.247	\$ (28.183)	\$798.037	\$335,177	\$ 6.218	\$ 8.241	\$ 34.525	\$ (344.836)	\$837.362

(Concluded)

CONSOLIDATING STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in thousands)

	САМС	Foundation	Reclassifications and Eliminations	Combined Obligated Group	CAMC Health System	Institute	Integrated	Teays	Reclassifications and Eliminations	Total
UNRESTRICTED REVENUE AND OTHER SUPPORT Patient service revenue (net of contractual allowance and discounts) Provisions for bad debts	\$791.551 (61.734)	\$ - 	\$ - 	\$791,551 (61,734)	\$ - 1	\$ - 	\$32,431 (4,397)	\$60,504 (8,772)	\$ 8	\$884,494 (74,902)
Net patient service revenues less provision for bad debts	729,817	-	-	729.817	1	-	28,034	51,732	8	809,592
Other revenue Investment (loss) income — net Increase in net assets of subsidiaries Net assets released from restrictions	37.850 (235) - 49	944 (320) - 1.350	(1.798) (82) - -	36.996 (637) - 1.399	(80) 194 19.236	9.663 - - - 929	25.085 1 -	419 40 -	(36.128) - (19.236)	35.955 (402) - 2.328
Total unrestricted revenue and other support	767,481	1.974	(1,880)	767.575	19,351	10.592	53,120	52,191	(55,356)	847,473
EXPENSES Salaries and wages Employee benefits Professional compensation and fees Supplies and other Litigation settlement Depreciation and amortization Provision for uncollectible accounts Medicaid provider tax Interest and debt expense Change in fair value of derivatives Total expenses	259.621 78.202 10.538 319.859 (8.495) 35.565 1.536 17.905 14.598 15.714 745.043	404 101 - 2.837 - 189 - - - - 3.531	(1.830) 	260.025 78.335 10.538 320.866 (8.495) 35.754 1.536 17.905 14.516 15.714 746.694	- - - - - - - - - - - - - - - - - - -	5.370 1.237 410 4.290 443 - - - 11.750	8.521 4.785 30.677 11.880 - 577 192 - - - 56.632	16.560 5.355 908 22.826 2.044 (8) 1.292 1.028 (438) 49.567	28.379 (1.962) (26.089) (36.448) - - - - - (36.120)	318.855 87.750 16.444 323.524 (8.495) 38.818 1.720 19.197 15.548 15.276 828.637
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES — Noncontrolling interest	22.438	(1.557)	- 	20.881	19.237	(1.158)	(3,512)	2.624	(19.236)	18.836
TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	22.362	(1.557)	_	20,805	19.237	(1.158)	(3.512)	2.624	(19.236)	18,760
OTHER CHANGES IN UNRESTRICTED NET ASSETS Net assets released from restrictions for capital expenditures Change in retirement obligations actuarial loss and prior service cost Pension assumption adjustment Endowment fund reclass Distribution on noncontrolling interest Contributions for capital expenditures Affiliate transfers	203 (1.454) - (199) 1.554 (6.523)	- - - - - - - -	- - - - - - - -	203 (1.454) - (199) 1.554 (6.523)	- - - - - - - - - - - - - - -	- - - - - - 715 _500	- - - - - - - - 5,549	- - - - - -	- - - - - -	203 (1.454) - (199) 2.269
INCRE ASE (DECRE ASE) IN UNRESTRICTED NET ASSETS	\$ 16.019	\$(1.557)	<u>s - </u>	\$ 14.462	\$19,711	\$ 57	\$ 2,037	\$ 2.624	<u>\$(19.236)</u>	\$ 19,655

CONSOLIDATING STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2010 (Dollars in thousands)

	САМС	Foundation	Reclassifications and Eliminations	Combined Obligated Group	CAMC Health System	Institute	Integrated	Teays	Reclassifications and Eliminations	Total
UNRESTRICTED REVENUE AND OTHER SUPPORT Patient service revenue (net of contractual allowance and discounts) Provisions for bad debts	\$776.480 (60,854)	\$ - 	\$ - 	\$776,480 (60,854)	\$ - <u>2</u>	\$ -	\$27.655 (3.728)	\$54.281 (7.400)	\$ 18 	\$858.434 (71.980)
Net patient service revenues less provision for bad debts	715.626	-	-	715,626	2	-	23.927	46,881	18	786,454
Other revenue Investment income — net Increase in net assets of subsidiaries Net assets released from restrictions	38,391 12,466 - 19	803 13.006 - 716	(1.397) - - -	37.797 25.472 - 735	(60) 202 25,909	11,041 - - - 34	18,818 - -	764 38 -	(30.496) - (25.909)	37.864 25.716 - 769
Total unrestricted revenue and other support	766,502	14.525	(1.397)	779,630	26,053	11.075	42.749	47,683	(56.387)	850,803
EXPENSES Salaries and wages Employee benefits Professional compensation and fees Supplies and other Litigation settlement Depreciation and amortization Provision for uncollectible accounts Medicaid provider tax Interest and debt expense Change in fair value of derivatives Total expenses EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES — Noncontrolling interest	261.160 80.134 11.148 320,335 - 33.970 1.388 16.561 14.183 5.863 744.742 21.760	371 60 2.854 - 252 - - - 3.537 10.988	- 48 - (1.445) 	261.531 80.242 11.148 321.744 - 34.222 1.388 16.561 14.183 5.863 746.882 32.748	118 - - - - 26 - 144 25,909	5.272 1.467 477 3.865 - 350 - - - - 11.431 (356)	7.404 4.446 24.835 9.891 	16.624 5.657 870 21.177 2.248 8 1.171 1.193 287 49.235 (1.552)	23.638 (5.068) (17.588) (31.460) 	314.469 86.744 19.742 325.335 - 37.428 1.396 17.755 15.402 6.150 824.421 26.382
TOT AL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	20.949	10.988	<u> </u>	31.937	25,909	(356)	_(4,458)	(1.552)	(25.909)	25,571
OTHER CHANGES IN UNRESTRICTED NET ASSETS Net assets released from restrictions for capital expenditures Change in retirement obligations actuarial loss and prior service cost Pension assumption adjustment Endowment fund reclass Distribution on noncontrolling interest Contributions for capital expenditures Affiliate transfers	10 (380) 1.238 - (755) 460 (5.752)	(519)	- - - - - - - -	10 (380) 1.238 (519) (755) 460 (5.752)	- - - - - - 415		- - - - - - - 4,392	- - - - - - - 945	- - - - - - -	10 (380) 1.238 (519) (755) 460
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ 16,581	\$10,469	\$ -	\$ 27,050	\$26,324	\$ (356)	\$ (66)	\$ (607)	\$(25.909)	\$ 26,436