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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

C Name of organization
PRESBYTERIAN HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2085 FRONTIS PLAZA BLVD

City or town, state or country, and ZIP + 4
WINSTON SALEM, NC 27103

D Employer identification number
56-0554230

E Telephone number
(336)718-2803

G Gross receipts $ 731,668,457

F Name and address of principal officer
MARK BILLINGS
2085 FRONTIS PLAZA BLVD
WINSTON SALEM,NC 27103

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW PRESBYTERIAN ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1903 | **M** State of legal domicile NC

Part I Summary

1 Briefly describe the organization's mission or most significant activities
SEE SCHEDULE O

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	5,417
6	Total number of volunteers (estimate if necessary)	**6**	839
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	337,124
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	2,808,695	2,423,359
	9 Program service revenue (Part VIII, line 2g)	715,378,410	712,435,806
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-202,611	-400,702
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	19,488,890	16,410,168
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	737,473,384	730,868,631
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,064,408	1,061,192
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	269,638,886	274,012,923
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	358,562,204	374,431,342
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	629,265,498	649,505,457
	19 Revenue less expenses Subtract line 18 from line 12	108,207,886	81,363,174

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	598,721,752	667,273,513
	21 Total liabilities (Part X, line 26)	44,412,397	37,574,082
	22 Net assets or fund balances Subtract line 21 from line 20	554,309,355	629,699,431

Part II Signature Block

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

Sign Here

****** | 2012-11-13
Signature of officer | Date

FRED HARGETT EVP & CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 | EIN ▶ | Phone no ▶

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 532,284,327 including grants of $ 1,061,192) (Revenue $ 723,785,301)

THE PRESBYTERIAN HOSPITAL (PH) AND PRESBYTERIAN HOSPITAL HUNTERSVILLE (PHH) EXIST TO PROMOTE THE HEALTH OF THE INHABITANTS OF THE CHARLOTTE-MECKLENBURG COUNTY AREA REGARDLESS OF THE PATIENT'S ABILITY TO PAY DURING 2011, PH HAD 607 LICENSED BEDS THERE WERE 165,173 PATIENT DAYS, WITH AN AVERAGE LENGTH OF STAY OF 5 57 DAYS, AND AN AVERAGE DAILY CENSUS OF 453 THERE WERE 29,082 DISCHARGES, 21,666 INPATIENT AND OUTPATIENT SURGERIES, 148,236 OUTPATIENT ENCOUNTERS AND 83,433 EMERGENCY DEPARTMENT VISITS (CONTINUED ON SCHEDULE O)

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

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

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 532,284,327

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

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

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	0		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**		
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	5,417		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	15		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .			3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			4	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .			5		No
6	Did the organization have members or stockholders?			6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following					
a	The governing body?			8a	Yes	
b	Each committee with authority to act on behalf of the governing body?			8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O			9		No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

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

KAREN DAUGHERTY
2085 FRONTIS PLAZA BLVD
WINSTON SALEM, NC 27103
(336) 718-2803

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) BILLINGSDERRICK MARK PRES-PRESBY/COO-CHLT / TRUSTEE	60 00	X		X				823,532	0	288,038
(2) CURETONJESSE TREASURER	2 00	X		X				0	0	0
(3) FLETCHERSIDNEY TRUSTEE	2 00	X						0	16,132	0
(4) FOXANTHONY TRUSTEE	2 00	X						0	0	0
(5) GALLAGHERARTHUR SEC	2 00	X		X				0	0	0
(6) GARNERSTUART J TRUSTEE	2 00	X						0	398,828	44,073
(7) JONESBRUCE TRUSTEE	2 00	X						0	0	0
(8) LYLESVIOLA CHAIR	2 00	X		X				0	0	0
(9) MYERSLEE TRUSTEE	2 00	X						0	0	0
(10) PALERMOJAMES VICE CHAIR	2 00	X		X				0	0	0
(11) PHILLIPSG PATRICK TRUSTEE	2 00	X						0	0	0
(12) POSTONWILLIAM TRUSTEE	2 00	X						0	0	0
(13) STONELARRY TRUSTEE	2 00	X						0	0	0
(14) STROUP IIIPAUL TRUSTEE	2 00	X						0	0	0
(15) WILLIAMSDAN TRUSTEE	2 00	X						0	0	0
(16) WALSHBETSY JEAN ASST SEC	2 00			X				0	268,821	46,848
(17) STILLERMANSHELLI STOKER ASST SEC	2 00			X				0	216,735	31,463

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) VANCEAMY SUSAN SVP & COO PHC	60 00				X			466,336	0	41,558
(19) VINCENTPAULA ROLLINS SVP CENTER CITY MKT	60 00				X			543,401	0	155,414
(20) BLACKMONTANYA S PRESIDENT PHH	60 00				X			273,128	0	26,447
(21) JONESVELVETTE LAJEUNE VP & COO PHH	60 00				X			169,533	0	20,195
(22) MCADAMSSTEPHEN VP & SR MED DIR SPECIALTY SERV	60 00				X			171,049	0	9,780
(23) ZWENGTHOMAS NELSON SVP MEDICAL AFFAIRS	60 00				X			664,930	0	54,818
(24) JOHNSONWALTER W INTERNIST	40 00					X		268,002	0	35,002
(25) REILINGRICHARD B VP MAJOR GIFTS	40 00					X		298,090	0	32,620
(26) SHOAF JREDWIN H INTERNIST	40 00					X		291,907	0	30,030
(27) STEGERELIZABETH ANN VP NURSING	40 00					X		267,093	0	33,363
(28) WISEJAIME FAMILY PRACTITIONER	40 00					X		24,065	260,287	25,895

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	4,261,066	1,160,803	875,544

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 174

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
RODGERS BUILDERS INC PO BOX 18446 CHARLOTTE, NC 28218	CONTRACTORS	17,680,629
MORRISON MANAGEMENT SPECIALISTS PO BOX 102289 ATLANTA, GA 30368	FOOD SERVICES	8,025,779
JAMES R VANNOY & SONS CON PO BOX 635 JEFFERSON, NC 28640	CONTRACTORS	5,562,781
AMERICAN RED CROSS PO 905890 CHARLOTTE, NC 28290	BLOOD PROCESSING	5,446,711
LUQUIRE GEORGE ANDREWS 4201 CONGRESS STREET SUIT CHARLOTTE, NC 28209	ADVERTISING	1,969,290

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 ▶ 73

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	2,230,962			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	192,397			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		2,423,359			
Program Service Revenue			Business Code				
	2a	NET PATIENT REVENUE	621990	711,519,766	711,519,766		
	b	SOUTHPARK SURGERY CTR	621110	916,040	916,040		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		712,435,806			
	3	Investment income (including dividends, interest and other similar amounts)		14,309			14,309
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	19,013				
	b	Less rental expenses	0				
	c	Rental income or (loss)	19,013				
	d	Net rental income or (loss)		19,013			19,013
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		31,916			
	b	Less cost or other basis and sales expenses		446,927			
	c	Gain or (loss)		-415,011			
	d	Net gain or (loss)		-415,011			-415,011
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a 430,015				
	b	Less direct expenses	b 352,899				
	c	Net income or (loss) from fundraising events		77,116			77,116
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	MISCELLANEOUS	900099	9,220,592	9,142,460	78,132	
	b	CAFETERIA	722210	3,118,597			3,118,597
	c	PHARMACY	446110	2,229,328	2,207,035	22,293	
	d	All other revenue		1,745,522		236,699	1,508,823
	e	**Total.** Add lines 11a–11d		16,314,039			
	12	**Total revenue.** See Instructions		730,868,631	723,785,301	337,124	4,322,847

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	1,031,192	1,031,192		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	30,000	30,000		
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	3,708,158		3,708,158	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	217,278,627	208,066,013	9,212,614	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,640,190	7,316,246	323,944	
9	Other employee benefits	28,977,686	27,749,032	1,228,654	
10	Payroll taxes	16,408,262	15,712,552	695,710	
11	Fees for services (non-employees)				
a	Management				
b	Legal				
c	Accounting				
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	29,697,319	20,434,127	9,263,192	
12	Advertising and promotion	6,208,060	5,944,838	263,222	
13	Office expenses	3,334,234	3,192,862	141,372	
14	Information technology	5,180,302	4,960,657	219,645	
15	Royalties . .				
16	Occupancy	19,617,170	18,785,402	831,768	
17	Travel	317,286	303,833	13,453	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	246,492	236,041	10,451	
20	Interest	10,517,666	10,071,717	445,949	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	27,735,921	26,559,918	1,176,003	
23	Insurance	787,624	754,229	33,395	
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	CORPORATE ALLOCATION	88,926,996		88,926,996	
b	MEDICAL SUPPLIES	85,672,226	85,672,226		
c	DRUGS	30,707,407	30,707,407		
d	BAD DEBT	29,094,906	29,094,906		
e					
f	All other expenses	36,387,733	35,661,129	726,604	
25	**Total functional expenses.** Add lines 1 through 24f	649,505,457	532,284,327	117,221,130	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		994,438	1	2,730,064
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		79,964,548	4	85,954,942
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		9,526,433	7	11,122,291
	8	Inventories for sale or use		10,147,958	8	10,029,252
	9	Prepaid expenses and deferred charges		1,084,813	9	1,001,364
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 681,977,089			
	b	Less accumulated depreciation	10b 372,659,033	289,968,887	10c	309,318,056
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		2,354,310	12	1,874,881
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	27,017
	15	Other assets See Part IV, line 11		204,680,365	15	245,215,646
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		598,721,752	16	667,273,513
Liabilities	17	Accounts payable and accrued expenses		36,305,461	17	31,131,742
	18	Grants payable			18	
	19	Deferred revenue		5,596,706	19	987,615
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		2,510,230	25	5,454,725
	26	**Total liabilities.** Add lines 17 through 25		44,412,397	26	37,574,082
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		554,298,624	27	629,688,700
	28	Temporarily restricted net assets		10,731	28	10,731
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		554,309,355	33	629,699,431
	34	Total liabilities and net assets/fund balances		598,721,752	34	667,273,513

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	730,868,631
2	Total expenses (must equal Part IX, column (A), line 25)	2	649,505,457
3	Revenue less expenses Subtract line 2 from line 1	3	81,363,174
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	554,309,355
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-5,973,098
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	629,699,431

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PRESBYTERIAN HOSPITAL

Employer identification number
56-0554230

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Explanation

Additional Data

Software ID:
Software Version:
EIN: 56-0554230
Name: PRESBYTERIAN HOSPITAL

Form 990, Special Condition Description:

Special Condition Description

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
PRESBYTERIAN HOSPITAL	56-0554230

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		52,255
j	Total lines 1c through 1i			52,255
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	DUES PAID TO CERTAIN ORGANIZATIONS WHICH INCLUDE A PORTION RELATED TO LOBBYING ACTIVITIES

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PRESBYTERIAN HOSPITAL

Employer identification number
56-0554230

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	10,731	10,731	10,731		
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	10,731	10,731	10,731		

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶ 100 000 %

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		7,138,673		7,138,673
b Buildings		382,066,638	174,547,285	207,519,353
c Leasehold improvements		2,718,973	1,766,741	952,232
d Equipment		254,398,772	192,231,114	62,167,658
e Other		35,654,033	4,113,893	31,540,140
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				309,318,056

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

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

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

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

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

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	192,191,030
(2) INVESTMENT IN AFFILIATES	53,024,616
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	245,215,646

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
THIRD PARTY PAYMENT ADJUSTMENT	5,454,725
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	5,454,725

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

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	INTENDED USES FOR ENDOWMENT FUNDS THE ENDOWMENT FUNDS INTENDED USE IS FOR EQUIPMENT AND PROGRAMS TO BETTER SERVE THE HOSPITAL'S PATIENTS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	LIABILITY UNDER FIN 48 (ASC 740) FOOTNOTE THE AUDIT FOR NOVANT HEALTH AND ITS AFFILIATES IS PREPARED ON A CONSOLIDATED BASIS THE COMPANY WAS REQUIRED TO EVALUATE UNCERTAIN TAX POSITIONS THIS EVALUATION INCLUDES A QUANTIFICATION OF TAX RISK IN AREAS SUCH AS UNRELATED BUSINESS TAXABLE INCOME AND THE TAXATION OF OUR FOR-PROFIT SUBSIDIARIES THIS EVALUATION DID NOT HAVE A MATERIAL EFFECT ON THE COMPANY'S STATEMENT OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PRESBYTERIAN HOSPITAL

Employer identification number
56-0554230

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

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

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

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

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

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

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

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 FUNDRAISERS (event type)	(b) Event #2 (event type)	(c) Other Events (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	430,015			430,015
	2 Less Charitable contributions				
	3 Gross income (line 1 minus line 2)	430,015			430,015
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	352,899			352,899
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(352,899)
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				77,116

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

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

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

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

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶ ----------

Address ▶ ----------

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

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

c If "Yes," enter name and address

Name ▶ ----------

Address ▶ ----------

16 Gaming manager information

Name ▶ ----------

Gaming manager compensation ▶ $ ----------

Description of services provided ▶ ----------

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PRESBYTERIAN HOSPITAL

Employer identification number
56-0554230

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☑ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☑ Other **300.000000000000 %**	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		No
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit reportduring the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			32,510,637	0	32,510,637	5 010 %
b Medicaid (from Worksheet 3, column a)			86,997,956	58,403,529	28,594,427	4 400 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			10,089,103	6,519,226	3,569,877	0 550 %
d **Total** Charity Care and Means-Tested Government Programs			129,597,696	64,922,755	64,674,941	9 960 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			18,072,873	2,456,302	15,616,571	2 400 %
f Health professions education (from Worksheet 5)			0	0	0	0 %
g Subsidized health services (from Worksheet 6)			28,610,232	18,123,861	10,486,371	1 610 %
h Research (from Worksheet 7)			1,070,958	427,650	643,308	0 100 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,061,192	0	1,061,192	0 160 %
j **Total** Other Benefits			48,815,255	21,007,813	27,807,442	4 270 %
k **Total.** Add lines 7d and 7j			178,412,951	85,930,568	92,482,383	14 230 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense 2 29,094,906			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy 3 0			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME) 5 142,788,577			
6	Enter Medicare allowable costs of care relating to payments on line 5 6 158,331,632			
7	Subtract line 6 from line 5 This is the surplus or (shortfall) 7 -15,543,055			
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used			

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b		No

Part IV Management Companies and Joint Ventures (see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1	1 SOUTHPARK SURGERY CENTER LLC	HEALTHCARE	60 000 %		40 000 %
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 2

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	PRESBYTERIAN HOSPITAL 200 HAWTHORNE LANE CHARLOTTE,NC 28204	X	X	X				X		
2	PRESBYTERIAN HOSPITAL HUNTERSVILLE 10030 GILEAD RD HUNTERSVILLE,NC 28078	X	X					X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

PRESBYTERIAN HOSPITAL

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 300 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**		No
If "Yes," indicate the FPG family income limit for eligibility for discounted care __% If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**		No
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☐ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☑ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**14**	Yes	
15 Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments or arrests			
e ☐ Other similar actions (describe in Part VI)			
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**16**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

PRESBYTERIAN HOSPITAL HUNTERSVILLE

Name of Hospital Facility: _____

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 300 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**		No
If "Yes," indicate the FPG family income limit for eligibility for discounted care __% If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**		No
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☐ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☑ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**14**	Yes	
15 Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments or arrests			
e ☐ Other similar actions (describe in Part VI)			
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**16**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

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

How many non-hospital facilities did the organization operate during the tax year? **5**

	Name and address	Type of Facility (Describe)
1	MIDTOWN SURGERY CENTER 1918 RANDOLPH ROAD CHARLOTTE,NC 28207	AMBULATORY SURGERY CENTER
2	PRESBYTERIAN INTERNAL MEDICINE CLINIC 1918 RANDOLPH ROAD SUITE 350 CHARLOTTE,NC 28207	PHYSICIAN CLINIC
3	MCKEE INTERNAL MEDICINE 3330 SISKEY PARKWAY MATTHEWS,NC 28105	PHYSICIAN CLINIC
4	CHARLOTTE INTERNAL MEDICINE 1701 ABBEY PLACE CHARLOTTE,NC 28209	PHYSICIAN CLINIC
5	PRESBYTERIAN PULMONARY & CRITICAL CARE 1900 RANDOLPH ROAD SUITE 216 CHARLOTTE,NC 28207	PHYSICIAN CLINIC
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
		PART I, LINE 3C ALL UNINSURED PATIENTS RECEIVE A STANDARD DISCOUNT REGARDLESS OF THEIR ABILITY TO PAY THIS DISCOUNT MIRRORS OUR AVERAGE MANAGED CARE RATE PATIENTS BELOW 300% OF THE FEDERAL POVERTY GUIDELINES ARE DISCOUNTED AT 100% (3A FREE CARE) OTHER PATIENTS MAY ALSO BE ELIGIBLE FOR DISCOUNTS FOR BALANCES ABOVE $5,000 (CATASTROPHIC DISCOUNT)

Identifier	ReturnReference	Explanation
		PART I, LINE 6A THE ORGANIZATION IS PART OF THE NOVANT HEALTH CARE SYSTEM AND THE COMMUNITY BENEFIT REPORT IS PREPARED BY A RELATED ORGANIZATION NOVANT HEALTH, INC PRODUCES ITS OWN COMMUNITY BENEFIT REPORT, WHICH REPRESENTS THE HEALTH SYSTEM AS A WHOLE AND CAN BE FOUND ATHTTP //WWW NOVANTHEALTH ORG/GIVEBACK/COMMUNITYBENEFITREPORT ASPX PLEASE NOTE THAT THE NUMERIC INFORMATION IN THIS REPORT IS NOT BASED UPON THE FORM 990, SCHEDULE H CRITERIA, BUT RATHER IT HAS BEEN PREPARED IN ACCORDANCE WITH THE NORTH CAROLINA HOSPITAL ASSOCIATION REPORTING GUIDELINES

Identifier	ReturnReference	Explanation
		PART I, LINE 7 COSTS REPORTED IN THE TABLE OF CHARITY CARE AND CERTAIN OTHER COMMUNITY BENEFITS AMOUNTS ARE CALCULATED USING AN ENTITY SPECIFIC COST TO CHARGE RATIO BASED ON WORKSHEET 2 (RCC)

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) THE AMOUNT OF BAD DEBT REMOVED FROM TOTAL EXPENSES (DENOMINATOR) WAS $29,094,906

Identifier	ReturnReference	Explanation
		PART II ALTHOUGH PART II FOR SCHEDULE H HAS BEEN LEFT BLANK, THE ORGANIZATION DOES ENGAGE IN MANY COMMUNITY BUILDING ACTIVITIES, WHICH SUPPORT AND STRENGTHEN THE COMMUNITY IT SERVES THESE ACTIVITIES ARE IMPORTANT TO THE ORGANIZATION'S MISSION TO IMPROVE THE HEALTH OF THE COMMUNITY HOWEVER, THE ORGANIZATION HAS NOT TRADITIONALLY MAINTAINED AN INFRASTRUCTURE TO TRACK, MONITOR AND REPORT THESE ACTIVITIES THE ORGANIZATION IS PART OF THE NOVANT HEALTH CARE SYSTEM, WHICH HAS A COMMUNITY BENEFIT COMMITTEE THE COMMUNITY BENEFIT COMMITTEE IS CURRENTLY IN THE PROCESS OF ESTABLISHING THE APPROPRIATE INTERNAL MECHANISMS TO TRACK, MONITOR AND REPORT THESE ACTIVITIES THE ORGANIZATION IS COMMITTED TO CONTINUING TO PROVIDE THE COMMUNITY BUILDING ACTIVITIES NECESSARY TO MAINTAIN A HEALTHY, PRODUCTIVE AND VIABLE COMMUNITY

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE ORGANIZATION'S BAD DEBT EXPENSE (AT COST) ON LINE 2 IS CALCULATED USING THE SAME METHODOLOGY AS CHARITY CARE AND OTHER COMMUNITY BENEFITS USING AN ENTITY SPECIFIC COST TO CHARGE RATIO (RCC) BAD DEBT EXPENSE ONLY REPRESENTS ACCOUNTS FOR WHICH COLLECTION EFFORTS HAVE BEEN MADE BUT NO PAYMENTS HAVE BEEN RECEIVED DISCOUNTS ARE RECORDED AS EITHER CONTRACTUALS (FOR PATIENTS WHO DO NOT QUALIFY FOR CHARITY) OR AS CHARITY (FOR PATIENTS WHO DO QUALIFY FOR CHARITY) THE TEXT OF THE NOVANT HEALTH, INC CONSOLIDATED FINANCIAL STATEMENTS READS "THE PROVISION FOR BAD DEBTS IS DETERMINED BASED ON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS, BUSINESS AND ECONOMIC CONDITIONS, THE AGE OF THE ACCOUNTS, TRENDS IN FEDERAL AND STATE GOVERNMENTAL HEALTH CARE COVERAGE AND OTHER COLLECTION INDICATORS "

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE METHODOLOGY USED TO DETERMINE THE MEDICARE ALLOWABLE COSTS REPORTED IN THE ORGANIZATION'S MEDICARE COST REPORT AS REFLECTED IN THE AMOUNT REPORTED IN PART III, LINE 6 IS DETERMINED BY FOLLOWING THE MEDICARE PRINCIPLES OF ALLOWABLE COSTS COST FOR THE OVERHEAD DEPARTMENTS ARE STEPPED DOWN TO THE REMAINING COST CENTERS BASED ON STATISTICS FOR EACH OVERHEAD COST CENTER ONCE THE STEP-DOWN PROCESS IS COMPLETE, A RATIO OF COST TO CHARGES IS DEVELOPED FOR EACH COST CENTER THE RCC IS THEN APPLIED TO THE MEDICARE REVENUE BY COST CENTER AND TOTALED IT SHOULD BE NOTED THAT THE MEDICARE COST REPORTS DO NOT ADDRESS ANY MANAGED CARE MEDICARE REVENUES, COSTS, OR RELATED SHORTFALL THE TOTAL REVENUES REPORTED AS RECEIVED FROM MEDICARE IN LINE 5 OF SECTION B ARE ONLY REPRESENTATIVE OF MEDICARE FEE FOR SERVICE PAYMENTS RECEIVED THE ALLOWABLE COSTS ON LINE 6 ARE SIGNIFICANTLY LOWER THAN THE ACTUAL EXPENDITURES AS SUCH, THE SHORTFALL IS UNDERESTIMATED EVERY HOSPITAL TREATS MEDICARE PATIENTS SOME HOSPITALS ARE LOCATED IN HIGH MEDICARE POPULATION AREAS OR OFFER SERVICES DISPROPORTIONATELY USED BY MEDICARE PATIENTS MEDICARE RATES AND NUMBERS OF MEDICARE PATIENTS ARE NOT NEGOTIATED AS REIMBURSEMENT RATES DECLINE RELATIVE TO COSTS OF CARE, HOSPITALS CONTINUE TO SERVE THE MEDICARE POPULATION WITHOUT THIS SERVICE THESE PATIENTS WOULD BECOME AN OBLIGATION TO THE GOVERNMENT ANY UNREIMBURSED COSTS OF THIS CARE ARE A COMMUNITY BENEFIT PROVIDED BY THE HOSPITAL TO THE COMMUNITY AND GOVERNMENT

Identifier	ReturnReference	Explanation
PRESBYTERIAN HOSPITAL		PART V, SECTION B, LINE 10 ALL UNINSURED PATIENTS RECEIVE A STANDARD DISCOUNT REGARDLESS OF THEIR ABILITY TO PAY THIS DISCOUNT MIRRORS OUR AVERAGE MANAGED CARE RATE PATIENTS BELOW 300% OF THE FEDERAL POVERTY GUIDELINES ARE DISCOUNTED AT 100% (3A FREE CARE) OTHER PATIENTS MAY ALSO BE ELIGIBLE FOR DISCOUNTS FOR BALANCES ABOVE $5,000 (CATASTROPHIC DISCOUNT)

Identifier	ReturnReference	Explanation
PRESBYTERIAN HOSPITAL HUNTERSVILLE		PART V, SECTION B, LINE 10 ALL UNINSURED PATIENTS RECEIVE A STANDARD DISCOUNT REGARDLESS OF THEIR ABILITY TO PAY THIS DISCOUNT MIRRORS OUR AVERAGE MANAGED CARE RATE PATIENTS BELOW 300% OF THE FEDERAL POVERTY GUIDELINES ARE DISCOUNTED AT 100% (3A FREE CARE) OTHER PATIENTS MAY ALSO BE ELIGIBLE FOR DISCOUNTS FOR BALANCES ABOVE $5,000 (CATASTROPHIC DISCOUNT)

Identifier	ReturnReference	Explanation
PRESBYTERIAN HOSPITAL		PART V, SECTION B, LINE 17E PRESBYTERIAN HOSPITAL PART V, SECTION B, LINES 15, 16, AND 17 WE DID NOT CHECK ANYTHING FOR QUESTION 15, 16 AND 17 BECAUSE WE PROCEED WITH ALL REASONABLE EFFORTS TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE PRIOR TO INITIATING ANY COLLECTION ACTIONS

Identifier	ReturnReference	Explanation
PRESBYTERIAN HOSPITAL HUNTERSVILLE		PART V, SECTION B, LINE 17E PRESBYTERIAN HOSPITAL HUNTERSVILLE PART V, SECTION B, LINES 15, 16, AND 17 WE DID NOT CHECK ANYTHING FOR QUESTION 15, 16 AND 17 BECAUSE WE PROCEED WITH ALL REASONABLE EFFORTS TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE PRIOR TO INITIATING ANY COLLECTION ACTIONS

Identifier	ReturnReference	Explanation
PRESBYTERIAN HOSPITAL		PART V, SECTION B, LINE 19D THE HOSPITAL FACILITY USED THE AVERAGE OF ITS NEGOTIATED COMMERCIAL INSURANCE RATES WHEN CALCULATING THE MAXIMUM AMOUNTS THAT CAN BE CHARGED

Identifier	ReturnReference	Explanation
PRESBYTERIAN HOSPITAL HUNTERSVILLE		PART V, SECTION B, LINE 19D THE HOSPITAL FACILITY USED THE AVERAGE OF ITS NEGOTIATED COMMERCIAL INSURANCE RATES WHEN CALCULATING THE MAXIMUM AMOUNTS THAT CAN BE CHARGED

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 NEEDS ASSESSMENTTHE ORGANIZATION IS PART OF THE NOVANT HEALTH CARE SYSTEM, WHICH HAS A COMMUNITY BENEFIT COMMITTEE THE COMMUNITY BENEFIT COMMITTEE IS RESPONSIBLE FOR ASSISTING THE HOSPITALS WITHIN THE HEALTH CARE SYSTEM WITH PREPARING COMMUNITY NEEDS ASSESSMENTS THE COMMUNITY BENEFIT COMMITTEE IS MADE OF INDIVIDUALS REPRESENTING CORPORATE-WIDE DEPARTMENTS, SUCH AS COMMUNITY RELATIONS, LEGAL, TAX, INTERNAL AUDIT, MARKETING/COMMUNICATIONS, AS WELL AS INDIVIDUALS FROM VARIOUS DEPARTMENTS OF HOSPITAL OPERATIONS AND THE HEALTH CARE SYSTEM'S HOSPITAL FOUNDATIONS EACH HOSPITAL, WITH THE ASSISTANCE OF THE COMMUNITY BENEFIT COMMITTEE, WILL IDENTIFY ORGANIZATIONS AND RESOURCES WITHIN ITS COMMUNITY TO CONTRIBUTE TO THE HOSPITAL'S COMMUNITY NEEDS ASSESSMENT THESE ORGANIZATIONS AND RESOURCES INCLUDE LOCAL HEALTH DEPARTMENTS, UNITED WAY, UNIVERSITIES, PUBLIC HEALTH DEPARTMENTS, ETC THE EXISTING COMMUNITY HEALTH ASSESSMENTS PREPARED BY OTHER ORGANIZATIONS IN THE COMMUNITY WILL BE COMBINED WITH INTERNAL HOSPITAL DATA AND INFORMATION COLLECTED FROM LOCAL AGENCIES TO BECOME THE HOSPITAL'S COMMUNITY NEEDS ASSESSMENT EACH HOSPITAL HAS ALSO TRADITIONALLY RESPONDED TO REQUESTS FOR CERTAIN COMMUNITY BENEFIT ACTIVITIES OR PROGRAMS FROM PUBLIC AGENCIES OR COMMUNITY GROUPS AND THIS WILL ALSO BE INCLUDED IN THE HOSPITAL'S COMMUNITY NEEDS ASSESSMENT ONCE THE COMMUNITY NEEDS ASSESSMENT IS COMPLETED, WHICH WILL BE EVERY THREE YEARS, THE HOSPITAL WILL PRIORITIZE THE NEEDS BY DETERMINING WHAT HOSPITAL RESOURCES ARE AVAILABLE TO MEET THE NEEDS AND WHAT OTHER COMMUNITY RESOURCES ARE BEING USED TO MEET A PARTICULAR NEED THE HOSPITAL WILL DEVELOP A COMMUNITY BENEFIT PLAN, WHICH WILL BE REVIEWED AND UPDATED AS NECESSARY, AT LEAST EVERY THREE YEARS ALL HOSPITALS' COMMUNITY NEEDS ASSESSMENTS WILL BE MADE AVAILABLE TO THE PUBLIC

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCEAS A NOT-FOR-PROFIT ORGANIZATION, NOVANT HEALTH IS COMMITTED TO PROVIDING OUTSTANDING HEALTH CARE TO ALL MEMBERS OF OUR COMMUNITIES, REGARDLESS OF THEIR ABILITY TO PAY OUR ACUTE CARE FACILITIES PROVIDE CARE IN 35 COUNTIES ACROSS THREE STATES ADDITIONALLY, OUR PHYSICIANS AND ACUTE CARE FACILITIES OFFER CARE TO NATIONAL AND INTERNATIONAL MISSION PATIENTS OUR FINANCIAL COUNSELING TEAMS ARE CONSTANTLY WORKING WITH THE PATIENTS WITHIN OUR COMMUNITIES TO UNDERSTAND THEIR NEEDS AND ENSURE THAT OUR POLICIES AND PROCESSES ADDRESS THESE NEEDS WE ALSO MAINTAIN CONTRACTS WITH MEDICAID ELIGIBILITY VENDORS AND LOCAL DEPARTMENT OF SOCIAL SERVICES TEAMS TO HAVE EMBEDDED CASE WORKERS WITHIN OUR FACILITIES THESE TEAMS OFFER ADDITIONAL SUPPORT IN PROCESSING AND ASSESSING HOW WE SERVE THE FINANCIAL NEEDS OF OUR PATIENTS BASED ON THE ASSESSMENTS OF OUR COMMUNITIES, NOVANT HEALTH HAS DEVELOPED FINANCIAL ASSISTANCE POLICIES AND PROGRAMS THAT ADDRESS THE FINANCIAL NEEDS OR OUR PATIENTS - UNINSURED PATIENTS WITH INCOMES OF UP TO 300% OF THE FEDERAL POVERTY LEVEL ARE ELIGIBLE FOR 100% WRITE-OFF - UNINSURED PATIENTS WITH INCOME OVER 300% OF THE FEDERAL POVERTY LEVEL ARE ELIGIBLE FOR SELF-PAY DISCOUNTS BASED ON THE PATIENT'S ANNUAL INCOME AND OUTSTANDING MEDICAL BILLS / COSTS - ANY PATIENT (EVEN WITH HEALTH INSURANCE) WITH A BALANCE OVER $5,000 AND / OR INCOME OVER 300% OF THE FEDERAL POVERTY LEVEL IS ELIGIBLE FOR A CATASTROPHIC DISCOUNT OUR CATASTROPHIC DISCOUNTS ARE ALSO BASED ON THE PATIENT'S ANNUAL INCOME AND OUTSTANDING MEDICAL BILLS / COSTS - ANY PATIENT IS ELIGIBLE FOR AN INDIVIDUALIZED PAYMENT PLAN BASED ON THE AMOUNT DUE AND THE PATIENT'S FINANCIAL STATUS, WITH TERMS EXTENDING UP TO FIVE YEARS NO INTEREST IS CHARGED, UNLESS APPROPRIATE WE PRIDE OURSELVES IN THE TRANSPARENCY OF OUR PROGRAMS AND THE EDUCATION WE OFFER OUR PATIENTS AROUND OUR FINANCIAL ASSISTANCE POLICIES OUR PROGRAMS ARE DOCUMENTED ON OUR CORPORATE WEBSITE AS WELL AS EACH INDIVIDUAL FACILITY'S WEBSITE, ALONG WITH CONTACT INFORMATION FOR OUR FINANCIAL COUNSELORS ADDITIONALLY, OUR PROGRAMS ARE DOCUMENTED ON PATIENT FLYERS THROUGHOUT THE NOVANT AFFILIATED FACILITIES AND PHYSICIAN OFFICES OUR PATIENT ACCESS SPECIALISTS, FINANCIAL COUNSELORS AND BUSINESS OFFICE TEAMS WORK WITH ALL SELF-PAY PATIENTS AND INSURED PATIENTS WITH HIGH DEDUCTIBLES TO EDUCATE THEM ON THE VARIOUS OPTIONS AVAILABLE VIA OUR FINANCIAL ASSISTANCE PROGRAMS OR GOVERNMENT SPONSORED CARE FINALLY, WE WORK WITH LOCAL AREA FREE HEALTH CLINICS AND OTHER CHARITABLE ORGANIZATIONS TO PROVIDE CONTINUATION OF CARE FOR THEIR PATIENTS IN ADDITION TO OUR FINANCIAL COUNSELING PROCESSES USED TO IDENTIFY CHARITY CARE PATIENTS, OUR COLLECTIONS PROCESSES WITHIN OUR BUSINESS OFFICES ALSO HELP IDENTIFY PATIENTS WHO ARE ALREADY ELIGIBLE FOR CHARITY OR WHO MAY BE ELIGIBLE BASED ON THEIR STATUS WITHIN THE FEDERAL POVERTY GUIDELINES ("FPG") WE UTILIZE PREVIOUSLY SUBMITTED PATIENT DOCUMENTATION AND CREDIT AGENCY REPORTED FPG FOR DETERMINATION SUPPORTING DOCUMENTS ARE VALID 6 MONTHS FROM THE DATE OF SUBMISSION OUR POLICIES ARE CONSIDERED FLUID AND ARE UPDATED FREQUENTLY BASED ON LOCAL AND NATIONAL MARKET STANDARDS AND NATIONAL ECONOMIC CONDITIONS ANY UPDATES TO OUR POLICIES REQUIRE MULTI-LEVEL LEADERSHIP APPROVAL AND ARE ULTIMATELY APPROVED BY THE NOVANT EXECUTIVE TEAM

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 COMMUNITY INFORMATIONTHE PRESBYTERIAN HOSPITAL, INC FORM 990 INCLUDES THE OPERATIONS OF TWO HOSPITALS PRESBYTERIAN HOSPITAL THE ORGANIZATION DEFINES ITS COMMUNITY BY ITS PRIMARY SERVICE AREA, WHICH IS MECKLENBURG COUNTY, NORTH CAROLINA THERE ARE FOUR NONPROFIT HOSPITALS IN THE COMMUNITY, ONE OF WHICH IS THE ORGANIZATION AND ALL OF WHICH ARE PART OF THE NOVANT HEALTH CARE SYSTEM THERE ARE ALSO FOUR GOVERNMENTAL HOSPITALS, WHICH ARE ALL PART OF THE SAME HEALTH CARE SYSTEM ACCORDING TO TRUVEN HEALTH DATA, THE SPECIFIC POPULATION GROUPS (ETHNIC AND CULTURAL) ARE AS FOLLOWS WHITE NON-HISPANIC (475,012) 49 1%, BLACK NON-HISPANIC (294,616) 30 5%, HISPANIC (126,051) 13 0%, OTHERS (24,126) 2 5%, ASIAN AND PACIFIC ISLAND (47,062) 4 9%, FOR A TOTAL POPULATION OF 966,867 ACCORDING TO TRUVEN HEALTH DATA, THE MEDIAN HOUSEHOLD INCOME LEVEL WAS $56,825 ACCORDING TO TRUVEN HEALTH DATA, THE AGE BREAKDOWN IS AS FOLLOWS 0-17 YEARS (253,670) 26 2%, 18-64 YEARS (631,107) 65 3%, 65+ YEARS (82,090) 8 5% PRESBYTERIAN HOSPITAL HUNTERSVILLE THE ORGANIZATION DEFINES ITS COMMUNITY BY ITS PRIMARY SERVICE AREA, WHICH IS COMPRISED OF THE FOLLOWING FOUR ZIP CODES 28031 (CORNELIUS, NORTH CAROLINA), 28078 (HUNTERSVILLE, NORTH CAROLINA), 28216 (CHARLOTTE, NORTH CAROLINA) AND 28269 (CHARLOTTE, NORTH CAROLINA) THERE IS ONE NONPROFIT HOSPITAL IN THE COMMUNITY, WHICH IS THE ORGANIZATION THERE IS ALSO ONE GOVERNMENTAL HOSPITAL AND ONE FOR PROFIT HOSPITAL ACCORDING TO TRUVEN HEALTH DATA, THE SPECIFIC POPULATION GROUPS (ETHNIC AND CULTURAL) ARE AS FOLLOWS WHITE NON-HISPANIC (102,138) 49 9%, BLACK NON-HISPANIC (71,377) 34 9%, HISPANIC (17,690) 8 6%, OTHERS (5,204) 2 5%, ASIAN AND PACIFIC ISLAND (8,243) 4 0%, FOR A TOTAL POPULATION OF 204,652 ACCORDING TO TRUVEN HEALTH DATA, THE MEDIAN HOUSEHOLD INCOME LEVEL WAS $65,764 ACCORDING TO TRUVEN HEALTH DATA, THE AGE BREAKDOWN IS AS FOLLOWS 0-17 YEARS (57,791) 28 2%, 18-64 YEARS (131,113) 64 1%, 65+ YEARS (15,748) 7 7%

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 PROMOTION OF COMMUNITY HEALTHTHE ORGANIZATION FURTHERS ITS EXEMPT PURPOSES BY DOING THE FOLLOWING 1 ADOPTING A CHARITY CARE POLICY, WHICH PROVIDES FREE CARE TO INDIVIDUALS WHOSE INCOME IS AT OR BELOW 300% OF THE FEDERAL POVERTY LEVEL,2 REMAINING CERTIFIED BY THE U S DEPARTMENT OF HEALTH AND HUMAN SERVICES TO PROVIDE SERVICES TO ALL BENEFICIARIES OF MEDICARE, MEDICAID, AND OTHER GOVERNMENT PAYMENT PROGRAMS, AND PROVIDING SERVICES IN A NONDISCRIMINATORY MANNER TO SUCH BENEFICIARIES,3 OPERATING A FULL-TIME EMERGENCY ROOM WHICH IS OPEN TO AND ACCEPTS ALL PERSONS, REGARDLESS OF THEIR ABILITY TO PAY, 4 MAINTAINING AN OPEN MEDICAL STAFF, SUBJECT TO EXCLUSIVE CONTRACTS FOR HOSPITAL-BASED SERVICES SUCH AS ANESTHESIOLOGY, RADIOLOGY, PATHOLOGY, HOSPITALIST, AND EMERGENCY DEPARTMENT SERVICES, TO THE EXTENT AN EXCLUSIVE CONTRACT FOR THOSE SERVICES IS REQUIRED TO OBTAIN PROPER STAFFING COVERAGE OR TO PERMIT A MORE EFFICIENT DELIVERY OF THOSE SERVICES WITHIN THE HOSPITAL FACILITY,5 MAINTAINING A GOVERNING BOARD CONSISTING PRIMARILY OF A BROAD CROSS-SECTION OF LEADERS IN THE COMMUNITY, 6 ADOPTING AND APPLYING A CONFLICT OF INTEREST POLICY, WHICH APPLIES TO THE GOVERNING BOARD AND ORGANIZATION OFFICERS,7 PROVIDING HEALTH EDUCATION LECTURES AND WORKSHOPS,8 PROVIDING HEALTH FAIRS, EDUCATION ON SPECIFIC DISEASES OR CONDITIONS, AND HEALTH PROMOTION AND WELLNESS PROGRAMS TO THE COMMUNITIES IT SERVES, 9 PROVIDING SUPPORT GROUPS AND SELF HELP PROGRAMS TO THE COMMUNITIES IT SERVES,10 PROVIDING COMMUNITY-BASED CLINICAL SERVICES, INCLUDING WITHOUT LIMITATION, HEALTH SCREENINGS AND CLINICS FOR UNINSURED OR UNDERINSURED PERSONS TO THE COMMUNITIES IT SERVES, 11 PROVIDING HEALTH CARE SUPPORT SERVICES, INCLUDING WITHOUT LIMITATION, INFORMATION AND REFERRAL TO COMMUNITY SERVICES, CASE MANAGEMENT OF UNDERINSURED AND UNINSURED PERSONS, TELEPHONE INFORMATION SERVICES AND ASSISTANCE TO ENROLL IN PUBLIC PROGRAMS, SUCH AS SCHIP AND MEDICAID TO THE COMMUNITIES IT SERVES, 12 PROVIDING SUBSIDIZED HEALTH SERVICES AND CLINICAL PROGRAMS TO THE COMMUNITIES IT SERVES, 13 PROVIDING CASH AND IN-KIND CONTRIBUTIONS TO NONPROFIT COMMUNITY HEALTH CARE ORGANIZATIONS IN THE COMMUNITIES IT SERVES, AND14 GENERALLY PROMOTING THE HEALTH, WELLNESS, AND WELFARE OF THE COMMUNITIES IT SERVES BY PROVIDING QUALITY HEALTH CARE SERVICES AT REASONABLE COST FOR SPECIFIC EXAMPLES OF THIS ORGANIZATION'S COMMUNITY BENEFIT ACTIVITIES, WHICH FURTHER THE ORGANIZATION'S EXEMPT PURPOSES (AND THOSE OF ALL HOSPITALS AND HEALTH CARE FACILITIES IN THE SAME HEALTH CARE SYSTEM), PLEASE SEE THE NOVANT HEALTH COMMUNITY BENEFIT REPORT, LOCATED AT HTTP //WWW NOVANTHEALTH ORG/GIVEBACK/COMMUNITYBENEFITREPORT ASPX PLEASE NOTE THAT THE NUMERIC INFORMATION IN THIS REPORT IS NOT BASED UPON THE FORM 990, SCHEDULE H CRITERIA, BUT RATHER IT HAS BEEN PREPARED IN ACCORDANCE WITH THE NORTH CAROLINA HOSPITAL ASSOCIATION REPORTING GUIDELINES

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 AFFILIATED HEALTH CARE SYSTEMTHE ORGANIZATION IS ONE OF TEN TAX-EXEMPT HOSPITALS IN THE NOVANT HEALTH CARE SYSTEM IN NORTH CAROLINA AND VIRGINIA EACH HOSPITAL PROVIDES SUBSTANTIAL COMMUNITY BENEFIT TO THE COMMUNITY IT SERVES, AS REPORTED INDIVIDUALLY ON EACH HOSPITAL'S FORM 990, SCHEDULE H THE COMMUNITY BENEFIT OF THE HEALTH CARE SYSTEM AS A WHOLE IS DOCUMENTED IN A SYSTEM-WIDE COMMUNITY BENEFIT REPORT, LOCATED AT HTTP //WWW NOVANTHEALTH ORG/GIVEBACK/COMMUNITYBENEFITREPORT ASPX PLEASE NOTE THAT THE NUMERIC INFORMATION IN THIS REPORT IS NOT BASED UPON THE FORM 990, SCHEDULE H CRITERIA, BUT RATHER IT HAS BEEN PREPARED IN ACCORDANCE WITH THE NORTH CAROLINA HOSPITAL ASSOCIATION REPORTING GUIDELINES THE NOVANT HEALTH CARE SYSTEM ALSO INCLUDES AN ORGANIZATION THAT OWNS PHYSICIAN PRACTICES IN VIRGINIA, SOUTH CAROLINA, AND NORTH CAROLINA, WHICH PROVIDE ADDITIONAL COMMUNITY BENEFIT TO THEIR COMMUNITIES, AND FIVE HOSPITAL FOUNDATIONS, WHICH SUPPORT AND ENHANCE THE COMMUNITY BENEFIT ACTIVITIES IN THOSE HOSPITAL'S COMMUNITIES FURTHER, THE NOVANT HEALTH CARE SYSTEM INCLUDES AMBULATORY SURGERY CENTERS, SKILLED NURSING FACILITIES, REHABILITATION PROGRAMS, AND OTHER OUTPATIENT FACILITIES, WHICH ALSO PROVIDE COMMUNITY BENEFIT TO THEIR COMMUNITIES THERE ARE SIGNIFICANT COMMUNITY BENEFIT ACTIVITIES WITHIN THE NOVANT HEALTH SYSTEM, WHICH MAY NOT BE REPORTABLE ON A SCHEDULE H BECAUSE THEY ARE NOT CONDUCTED BY AN ENTITY WHICH OWNS OR OPERATES A HOSPITAL THE HEALTH CARE SYSTEM HAS A COMMUNITY BENEFIT COMMITTEE, WHICH WILL OVERSEE AND ASSIST ALL TAX-EXEMPT HOSPITALS WITHIN NOVANT IN PREPARING THEIR COMMUNITY NEEDS ASSESSMENTS AND COMMUNITY BENEFIT PLANS THE GOAL OF HAVING A SYSTEM-WIDE COMMITTEE IS TO IDENTIFY COMMUNITY BENEFIT ACTIVITIES THAT ARE DUPLICATIVE IN COMMUNITIES AND TO STREAMLINE AND COORDINATE EFFORTS TO RESULT IN BETTER AND MORE EFFICIENT USES OF RESOURCES, WHICH COULD LEAD TO ADDITIONAL RESOURCES TO BE ALLOCATED TO MEET OTHER COMMUNITY NEEDS, AND TO REPLICATE SUCCESSFUL PROGRAMS AND ACTIVITIES IN COMMUNITIES WHERE A SIMILAR NEED IS INDICATED ALL OF THE TAX-EXEMPT HOSPITALS WITHIN THE NOVANT HEALTH CARE SYSTEM ARE COMMITTED TO IMPROVING THE HEALTH OF THEIR COMMUNITIES AND PROVIDING COMMUNITY BENEFIT ACTIVITIES TO SUPPORT THEIR MISSION

Identifier	ReturnReference	Explanation
	PART VI, LINE 7, STATE FILING OF COMMUNITY BENEFIT REPORT	NOVANT HEALTH, INC FILES A SYSTEM-WIDE COMMUNITY BENEFIT REPORT PREPARED IN ACCORDANCE WITH THE NORTH CAROLINA HOSPITAL ASSOCIATION REPORTING GUIDELINES WITH THE NORTH CAROLINA MEDICAL CARE COMMISSION AS PART OF THE DOCUMENTATION REQUIRED FOR THE ISSUANCE OF TAX EXEMPT BOND FINANCING

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PRESBYTERIAN HOSPITAL

Employer identification number
56-0554230

Part I General Information on Grants and Assistance

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

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

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

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

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

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 25

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 5

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) EDUCATIONAL SCHOLARSHIPS	10	30,000			

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
		PART I, LINE 2 - PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS THE ORGANIZATION IS AN AFFILIATE IN AN INTEGRATED HEALTH CARE SYSTEM AND FOLLOWS A SYSTEM-WIDE CORPORATE POLICY WITH STANDARDIZED GUIDELINES THAT ARE TO BE USED IN REVIEWING THE ELIGIBILITY AND SELECTION OF GRANTEES RECEIVING CERTAIN EXEMPT PURPOSE FUNDS THE ORGANIZATION MAINTAINS DOCUMENTATION OF THE ELIGIBILITY AND SELECTION CRITERIA AND RECORDS OF THE AMOUNTS ARE MAINTAINED VIA THE GENERAL LEDGER FUNDS ARE GENERALLY NOT TRACKED AFTER BEING GRANTED, AS THE ORIGINAL ELIGIBILITY AND SELECTION CRITERIA HAVE ALREADY BEEN MET

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 56-0554230
Name: PRESBYTERIAN HOSPITAL

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN CANCER SOCIETY6000 FAIRVIEW RD STE 200 CHARLOTTE,NC 28210	58-0659875	501(C)(3)	11,500				CANCER AWARENESS
AMERICAN HEART ASSOCIATION222 SOUTH CHURCH ST STE 303 CHARLOTTE,NC 28202	13-5613797	501(C)(3)	65,000				COMMUNITY OUTREACH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
BRAIN TUMOR FOR THE CAROLINASPO BOX 5627 CHARLOTTE,NC 28299	20-8208247	501(C)(3)	210,250				COMMUNITY OUTREACH
CATAWBA RIVER DISTRICT1904 STONEYRIDGE DR CHARLOTTE,NC 28214	27-0176418	501(C)(3)	7,500				COMMUNITY OUTREACH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
CHARLOTTE CENTER CITY PARTNERS200 S TRYON ST STE 1600 CHARLOTTE,NC 28202	56-1247787	501(C)(4)	115,000				COMMUNITY OUTREACH
CHARLOTTE CHAMBER OF COMMERCEPO BOX 32785 CHARLOTTE,NC 28232	56-0173610	501(C)(6)	22,300				COMMUNITY OUTREACH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
COLON CANCER COALITION8009 34TH AVENUE STE 360 BLOOMINGTON,MN 55425	30-0377727	501(C)(3)	10,000				CANCER AWARENESS
COMMUNITY BUILDING INITIATIVE217 SOUTH TRYON STREET CHARLOTTE,NC 28202	20-2892726	501(C)(3)	10,000				COMMUNITY OUTREACH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
CULTURE & HERITAGE COMMISSION4621 MT GALLANT RD ROCK HILL, SC 29732	23-7257020	501(C)(3)	7,500				COMMUNITY OUTREACH
DANIEL STOWE BOTANICAL GARDEN6500 SOUTH NEW HOPE RD BELMONT, NC 28012	20-8362933	501(C)(3)	10,000				COMMUNITY OUTREACH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
DISCOVERY PLACE KIDSPO BOX 237 HUNTERSVILLE,NC 28078	56-0529944	501(C)(3)	113,095				COMMUNITY OUTREACH
GANTT CENTER551 SOUTH TRYON STREET CHARLOTTE,NC 28202	56-1152286	501(C)(3)	50,000				COMMUNITY OUTREACH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
HEARTBRIGHT FOUNDATION2923 SOUTH TRYON SUITE 200 CHARLOTTE,NC 28203	45-0496759	501(C)(3)	20,000				COMMUNITY OUTREACH
JUVENILE DIABETES FOUNDATION1401-B OLD MILL CIRCLE WINSTONSALEM,NC 27103	23-1907729	501(C)(3)	18,000				COMMUNITY OUTREACH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
LAKE NORMAN COMMUNITY HEALTH CLINIC 14230 HUNTERS ROAD HUNTERSVILLE,NC 28078	04-3723062	501(C)(3)	57,160				COMMUNITY HEALTH
LAKE NORMAN REGIONAL ECONOMIC DEVELOPMENT CORP13801 REESE BLVD W STE 200-A HUNTERSVILLE,NC 28078	51-0463069	501(C)(3)	9,500				COMMUNITY OUTREACH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
LEADERSHIP CHARLOTTEPO BOX 11757 CHARLOTTE,NC 28220	56-1684782	501(C)(3)	5,500				COMMUNITY OUTREACH
LEUKEMIA & LYMPHOMA SOCIETY1577 NEW GARDEN RD STE D GREENSBORO,NC 27410	13-5644916	501(C)(3)	17,302				CANCER AWARENESS

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
LUNG STRONG 15K 5K3915 AUTUMN HARVEST LANE CHARLOTTE,NC 28269	26-3677470	501(C)(3)	10,000				COMMUNITY HEALTH
MARCH OF DIMES 410 BROOKSTOWN AVE WINSTONSALEM,NC 27101	13-1846366	501(C)(3)	12,500				COMMUNITY OUTREACH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MECKLENBURG AQUATIC CLUB 9850 PROVIDENCE RD CHARLOTTE,NC 28277	59-1769720	501(C)(3)	30,000				COMMUNITY OUTREACH
MECKLENBURG CITIZENS FOR PUBLIC EDUCATION129 W TRADE ST STE 1555 CHARLOTTE,NC 28202	56-1752043	501(C)(3)	15,000				COMMUNITY OUTREACH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MECKLENBURG COUNCIL OF NURSINGPO BOX 37402 CHARLOTTE,NC 28237	56-1848870	501(C)(6)	6,750				COMMUNITY OUTREACH
MINT HILL CHAMBER OF COMMERCEPO BOX 23223 MINT HILL,NC 28227	20-8311079	501(C)(6)	7,500				SCHOLARSHIP FUND

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
NC PHYSICIANS HEALTH PROGRAM 220 HORIZON DRIVE SUITE 201 RALEIGH, NC 27615	56-1846599	501(C)(3)	12,000				PHYSICIAN OUTREACH
NORTH MECK SOCCER CLUB 11138 TREYNORTH DR STE B CORNELIUS, NC 28031	61-1556757	501(C)(3)	10,000				COMMUNITY OUTREACH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
ROTARY CLUB OF LAKE NORMAN HUNTERSVILLE INC PO BOX 2306 HUNTERSVILLE,NC 28070	26-2902286	501(C)(3)	12,000				COMMUNITY OUTREACH
SUSAN G KOMEN FOUNDATION5005 LBJ FREEWAY STE 250 DALLAS,TX 75244	75-1835298	501(C)(3)	50,000				COMMUNITY OUTREACH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
TOWN OF MATTHEWS 100 MCDOWELL STREET MATTHEWS,NC 28105	56-6001283	TOWN OF MATTHEWS	7,000				COMMUNITY OUTREACH
GREATER WINSTON SALEM CHAMBER OF COMMERCE601 WEST 4TH ST WINSTONSALEM,NC 27101	56-0459820	501(C)(6)	20,680				COMMUNITY OUTREACH

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PRESBYTERIAN HOSPITAL

Employer identification number
56-0554230

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) BILLINGSDERRICK MARK	(i)	521,421	279,975	22,136	279,858	8,180	1,111,570	279,975
	(ii)	0	0	0	0	0	0	0
(2) GARNERSTUART J	(i)	0	0	0	0	0	0	0
	(ii)	354,664	31,749	12,415	22,200	21,873	442,901	0
(3) WALSHBETSY JEAN	(i)	0	0	0	0	0	0	0
	(ii)	219,206	44,265	5,350	21,150	25,698	315,669	44,265
(4) STILLERMANSHELLI STOKER	(i)	0	0	0	0	0	0	0
	(ii)	182,605	26,180	7,950	11,220	20,243	248,198	26,180
(5) VANCEAMY SUSAN	(i)	278,963	175,560	11,813	22,200	19,358	507,894	175,560
	(ii)	0	0	0	0	0	0	0
(6) VINCENTPAULA ROLLINS	(i)	302,334	197,990	43,077	141,875	13,539	698,815	194,990
	(ii)	0	0	0	0	0	0	0
(7) BLACKMONTANYA S	(i)	212,754	49,800	10,574	7,800	18,647	299,575	49,800
	(ii)	0	0	0	0	0	0	0
(8) JONESVELVETTE LAJEUNE	(i)	28,889	24,300	116,344	2,008	18,187	189,728	0
	(ii)	0	0	0	0	0	0	0
(9) MCADAMSSTEPHEN	(i)	134,204	35,000	1,845	8,077	1,703	180,829	0
	(ii)	0	0	0	0	0	0	0
(10) ZWENGTHOMAS NELSON	(i)	378,193	263,460	23,277	22,200	32,618	719,748	263,460
	(ii)	0	0	0	0	0	0	0
(11) JOHNSONWALTER W	(i)	196,996	70,237	769	10,000	25,002	303,004	0
	(ii)	0	0	0	0	0	0	0
(12) REILINGRICHARD B	(i)	223,499	65,250	9,341	11,430	21,190	330,710	65,250
	(ii)	0	0	0	0	0	0	0
(13) SHOAF JREDWIN H	(i)	195,691	93,983	2,233	12,120	17,910	321,937	22,451
	(ii)	0	0	0	0	0	0	0
(14) STEGERELIZABETH ANN	(i)	218,817	36,938	11,338	9,898	23,466	300,457	0
	(ii)	0	0	0	0	0	0	0
(15) WISEJAIME	(i)	24,065	0	0	0	0	24,065	0
	(ii)	171,882	87,515	890	10,517	15,378	286,182	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	FRINGE OR EXPENSE EXPLANATION FIRST-CLASS OR CHARTER TRAVEL FIRST-CLASS OR CHARTER TRAVEL IS NOT A COVERED TRAVEL EXPENSE FOR EXECUTIVES, THEY ARE LIMITED TO BUSINESS OR COACH CLASS FARES FOR COMMERCIAL FLIGHTS HOWEVER, CHARTER TRAVEL IS AVAILABLE TO CERTAIN EXECUTIVES, BOARD MEMBERS, AND APPROVED BUSINESS PERSONNEL IN LIMITED CIRCUMSTANCES DEEMED TO INVOLVE BUSINESS NECESSITY TRAVEL FOR COMPANIONS COMPANIONS ARE ALLOWED ON CERTAIN CHARTER FLIGHTS PAID FOR BY THE ORGANIZATION IN THAT CASE, THE VALUE OF THE COMPANION'S FLIGHT IS CALCULATED UNDER APPLICABLE TAX LAWS AND THAT AMOUNT IS INCLUDED IN THE EXECUTIVE'S TAXABLE INCOME AS PRESCRIBED BY THE APPLICABLE TAX LAWS TAX INDEMNIFICATION AND GROSS-UP PAYMENTS EXECUTIVES WHO PURCHASE SPLIT DOLLAR INSURANCE THROUGH THEIR DISCRETIONARY SPENDING ACCOUNT MAY HAVE THE ADDITIONAL INCOME TAX OWED ON THE PS-58 COSTS PAID BY THE ORGANIZATION EXECUTIVES WHO RECEIVE TAXABLE RELOCATION INCOME MAY HAVE THE ADDITIONAL INCOME TAX OWED ON THE INCOME PAID BY THE ORGANIZATION EXECUTIVES MAY RECEIVE AS SEVERANCE BENEFITS CASH PAYMENTS IN LIEU OF PREMIUMS PAID FOR COVERAGE OF CERTAIN GROUP BENEFITS THAT ENDED WITH THE EXECUTIVE'S TERMINATION THE ORGANIZATION MAY PAY THE ADDITIONAL TAX OWED ON ACCOUNT OF THESE PAYMENTS DISCRETIONARY SPENDING ACCOUNT CERTAIN EXECUTIVES RECEIVE A DISCRETIONARY SPENDING ACCOUNT THE DOLLAR AMOUNT IN THE ACCOUNT IS PRE-APPROVED BY THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD THE ACCOUNT CAN BE USED ONLY FOR AN APPROVED LIST OF EXPENDITURES ALL OPTIONS OTHER THAN A DEFERRED, AT-RISK, COMPENSATION OPTION ARE CONSIDERED TAXABLE AND ARE INCLUDED IN THE EXECUTIVE'S TAXABLE INCOME AS PRESCRIBED BY THE APPLICABLE TAX LAWS HOUSING ALLOWANCE OR RESIDENCE FOR PERSONAL USE WE PROVIDE TEMPORARY HOUSING ALLOWANCES IN CERTAIN EXECUTIVE RECRUITMENT AND RELOCATION PACKAGES IN THE CASE THAT SUCH EXPENSE IS NOT REIMBURSABLE UNDER THE ACCOUNTABLE PLAN RULES, THE VALUE IS CALCULATED UNDER APPLICABLE TAX LAWS AND THAT AMOUNT IS INCLUDED IN THE EXECUTIVE'S INCOME AS PRESCRIBED BY THE APPLICABLE TAX LAWS THE ORGANIZATION PROVIDES A TEMPORARY RESIDENCE FOR LIMITED EXECUTIVE USE THAT AT TIMES MAY INCLUDE INCIDENTAL PERSONAL USE IN THAT CASE, THE VALUE IS CALCULATED UNDER APPLICABLE TAX LAWS AND THAT AMOUNT IS INCLUDED IN THE EXECUTIVE'S TAXABLE INCOME AS PRESCRIBED BY THE APPLICABLE TAX LAWS HEALTH OR SOCIAL CLUB DUES OR INITIATION FEES IN CASES WHERE CORPORATE MEMBERSHIPS ARE NOT AVAILABLE, A MEMBERSHIP MAY BE OBTAINED IN AN EXECUTIVE'S NAME WITH A "BUSINESS USE ONLY" RESTRICTION AT THIS TIME NOVANT HAS ONE SUCH MEMBERSHIP
	PART I, LINE 3	THE FILING ORGANIZATION IS AN AFFILIATE IN AN INTEGRATED HEALTHCARE SYSTEM AND IS SUPPORTED BY A PARENT ORGANIZATION THAT USES THE PROCESS DESCRIBED IN PART VI, LINE 15A OF THIS RETURN TO ESTABLISH THE COMPENSATION OF THE TOP MANAGEMENT OFFICIAL OF THE FILING ORGANIZATION THIS PROCESS ADHERES TO THE REQUIREMENTS SET FORTH TO SECURE THE REBUTTABLE PRESUMPTION OF REASONABLENESS AND INCLUDES A REVIEW AND APPROVAL BY INDEPENDENT AND DISINTERESTED MEMBERS OF A COMPENSATION COMMITTEE, CONSULTATION WITH INDEPENDENT COMPENSATION CONSULTANTS, THE UTILIZATION OF THIRD-PARTY COMPARABILITY DATA SUCH AS PUBLISHED COMPENSATION SURVEYS, AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION
	PART I, LINES 4A-B	SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS SEVERANCE NONQUALIFIED EQUITY-BASED JONES, VELVETTE LAJEUNE 63,154 0 0
SUPPLEMENTAL INFORMATION	PART III	PART III - OTHER ADDITIONAL INFORMATION DESCRIPTIONS OF SUPPLEMENTAL EXECUTIVE BENEFITS INCLUDED IN PART VII AND SCHEDULE J EXECUTIVE ANNUAL INCENTIVE PLAN AS PART OF THE REPORTED COMPENSATION AMOUNTS, THE REPORTING ORGANIZATION PROVIDES ANNUAL INCENTIVE COMPENSATION TO OFFICERS AND KEY EMPLOYEES UNDER AN EXECUTIVE ANNUAL INCENTIVE PLAN THE INCENTIVE PLAN IS DESIGNED TO OFFER OPPORTUNITIES FOR ADDITIONAL COMPENSATION, BUT ONLY TO THE EXTENT THAT ELIGIBLE EXECUTIVES HAVE PROVIDED EXTRAORDINARY SERVICES AND ACHIEVED EXTRAORDINARY RESULTS THAT MEET OR EXCEED PREDETERMINED GOALS IN THE AREAS OF QUALITY, PATIENT SATISFACTION, EMPLOYEE SATISFACTION AND FINANCIAL VITALITY THESE GOALS ARE ESTABLISHED AND APPROVED BY INDEPENDENT AND DISINTERESTED MEMBERS OF THE NOVANT HEALTH BOARD OF TRUSTEES (WHO COMPRISE THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD) THESE GOALS ARE WEIGHTED EQUALLY THE ADDITIONAL COMPENSATION CAN RANGE ANYWHERE FROM ZERO TO A MAXIMUM PERCENTAGE OF BASE SALARY THAT DIFFERS BY THE CLASS OF EXECUTIVE, THIS MAXIMUM PERCENTAGE RANGES FROM 30% TO 70% OF BASE SALARY IN ADDITION, THE INDEPENDENT MEMBERS OF THE BOARD OF TRUSTEES WHO OVERSEE THE INCENTIVE COMPENSATION PROGRAM APPLY TWO "CIRCUIT BREAKERS," WHICH ARE SUBSTANTIAL LEVELS OF ORGANIZATION-WIDE ACHIEVEMENT THAT MUST BE SATISFIED BEFORE ANY AWARDS ARE PAID TO ANY EXECUTIVE UNDER THE PROGRAM THE INCENTIVE COMPENSATION AWARDS HAVE BEEN INCLUDED IN THE COMPENSATION AMOUNTS REPORTED IN PART VII AND IN COLUMN (B)(II) OF SCHEDULE J THEY ARE REPORTED IN THE YEAR PAID INDEPENDENT AND DISINTERESTED MEMBERS OF THE NOVANT HEALTH BOARD OF TRUSTEES (WHO COMPRISE THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD) REVIEW, APPROVE, AND OVERSEE ALL ASPECTS AND ALL ELEMENTS OF EXECUTIVE COMPENSATION AND BENEFITS, INCLUDING THE AMOUNTS AWARDED UNDER THIS ANNUAL INCENTIVE PLAN LONG-TERM INCENTIVE PLAN THE REPORTING ORGANIZATION OFFERS A LONG-TERM INCENTIVE PLAN (THE "PLAN") TO CERTAIN KEY EXECUTIVES THE PLAN TIES A KEY EXECUTIVE'S COMPENSATION TO THE ORGANIZATION'S LONG-TERM STRATEGIC PERFORMANCE, PROVIDES A RETENTION INCENTIVE FOR KEY EXECUTIVES, AND ALLOWS THE ORGANIZATION TO COMPETE IN THE MARKETPLACE FOR TOP LEADERSHIP TALENT THE PLAN OPERATES ON THREE-YEAR PERFORMANCE CYCLES THAT BEGIN EACH YEAR LONG-TERM STRATEGIC GOALS (IN THE PRINCIPAL AREAS OF QUALITY OF PATIENT CARE AND LONG-TERM FINANCIAL STRENGTH) ARE ESTABLISHED AND APPROVED FOR EACH CYCLE, IN ADVANCE, BY INDEPENDENT AND DISINTERESTED MEMBERS OF THE NOVANT HEALTH BOARD OF TRUSTEES (WHO COMPRISE THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD) A MINIMUM LEVEL OF COMMUNITY BENEFIT AND CHARITY CARE, AS WELL AS A MINIMUM LEVEL OF FINANCIAL PERFORMANCE, IS REQUIRED BEFORE ANY AWARD CAN BE PAID UNDER THE PLAN NOVANT HEALTH'S INTERNAL AUDIT DEPARTMENT REVIEWS THE METHODOLOGY AND PROCESS USED TO DETERMINE ACHIEVEMENT OF THE QUALITY METRICS AWARDS ARE PAYABLE FOR A PARTICULAR THREE-YEAR PERFORMANCE CYCLE ONLY IF THE REQUISITE LEVEL OF COMMUNITY BENEFIT AND CHARITY CARE, ALONG WITH THE REQUIRED LEVEL OF FINANCIAL PERFORMANCE TO DEMONSTRATE LONG-TERM FINANCIAL STRENGTH, HAVE BEEN MET FOR THAT RESPECTIVE THREE-YEAR PERFORMANCE PERIOD IF AN AWARD IS EARNED AT THE END OF A PERFORMANCE CYCLE, THEN THE INCENTIVE AWARD IS PAID OUT AND IS INCLUDED IN THE COMPENSATION AMOUNTS REPORTED IN PART VII AND IN COLUMN (B)(II) OF SCHEDULE J THEY ARE REPORTED IN THE YEAR PAID INDEPENDENT AND DISINTERESTED MEMBERS OF THE NOVANT HEALTH BOARD OF TRUSTEES (WHO COMPRISE THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD) REVIEW, APPROVE, AND OVERSEE ALL ASPECTS AND ALL ELEMENTS OF EXECUTIVE COMPENSATION AND BENEFITS, INCLUDING THE AMOUNTS AWARDED UNDER THIS LONG-TERM INCENTIVE PLAN SCHEDULE J PART I LINE 4A - SEVERANCE PLAN ELIGIBLE EXECUTIVES MAY RECEIVE SEVERANCE PAY THAT IS A SPECIFIED MULTIPLE OF ANNUAL COMPENSATION THE SEVERANCE PAY WOULD BE PAID ONLY IN THE EVENT OF CERTAIN TYPES OF EMPLOYMENT TERMINATION, AND IS FURTHER CONTINGENT ON THE SATISFACTION OF OTHER CONDITIONS SUCH AS COMPLIANCE WITH A NON-COMPETITION COVENANT ANY CURRENT YEAR PAYMENTS HAVE BEEN INCLUDED IN THE COMPENSATION AMOUNTS REPORTED IN PART VII AND IN COLUMN (B)(III) OF SCHEDULE J INDEPENDENT AND DISINTERESTED MEMBERS OF THE NOVANT HEALTH BOARD OF TRUSTEES (WHO COMPRISE THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD) REVIEW, APPROVE, AND OVERSEE ALL ASPECTS AND ALL ELEMENTS OF EXECUTIVE COMPENSATION AND BENEFITS, INCLUDING THE AMOUNTS AWARDED UNDER THIS SEVERANCE PLAN SCHEDULE J PART I LINE 4B - SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN THE SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN ("SERP") IS INTENDED TO SUPPORT RETENTION OF KEY EXECUTIVES, AND TO OFFER COMPETITIVE TOTAL COMPENSATION THESE SERP BENEFITS ARE CALCULATED WITH REFERENCE TO A FORMULA THAT TAKES INTO CONSIDERATION THE EXECUTIVE'S TOTAL YEARS OF SERVICE WITH THE ORGANIZATION AND OTHER RETIREMENT INCOME THESE BENEFITS ARE FULLY AT RISK AND WILL NOT BE PAID UNLESS THE EXECUTIVE PROVIDES SUBSTANTIAL FUTURE SERVICES TO THE ORGANIZATION UNTIL THOSE REQUIREMENTS ARE SATISFIED, IF EVER, THE EXECUTIVE IS NOT ENTITLED TO ANY SERP BENEFIT IF THE EXECUTIVE WERE TO HAVE LEFT THE ORGANIZATION VOLUNTARILY DURING THE YEAR FOR WHICH THESE AMOUNTS ARE BEING REPORTED (BEFORE REACHING BOTH AGE 55 AND HAVING FIVE YEARS OF SERVICE WITH THE ORGANIZATION), THE EXECUTIVE'S SERP BENEFIT WOULD HAVE BEEN ENTIRELY FORFEITED THE SERP BENEFIT IS REDUCED AT THE RATE OF 2 PERCENTAGE POINTS PER YEAR FOR PAYMENTS RECEIVED BETWEEN THE AGES OF 55 AND 62 CURRENT YEAR PAYMENTS OF SERP BENEFITS HAVE BEEN INCLUDED IN THE COMPENSATION AMOUNTS REPORTED IN PART VII AND IN COLUMN (B)(III) OF SCHEDULE J AN ESTIMATE OF THE ANNUAL INCREASE IN ACTUARIAL VALUE IS REPORTED AS DEFERRED COMPENSATION IN PART VII AND IN COLUMN (C) OF SCHEDULE J FOR ELIGIBLE EXECUTIVES INDEPENDENT AND DISINTERESTED MEMBERS OF THE NOVANT HEALTH BOARD OF TRUSTEES (WHO COMPRISE THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD) REVIEW, APPROVE, AND OVERSEE ALL ASPECTS AND ALL ELEMENTS OF EXECUTIVE COMPENSATION AND BENEFITS, INCLUDING THE AMOUNTS AWARDED UNDER THIS SUPPLEMENTAL RETIREMENT PLAN

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PRESBYTERIAN HOSPITAL

Employer identification number
56-0554230

Identifier	Return Reference	Explanation
ACTIVITIES	FORM 990, PART I, LINE 1 ORGANIZATION'S MISSION OR MOST SIGNIFICANT	PRESBYTERIAN HOSPITAL AND PRESBYTERIAN HOSPITAL HUNTERSVILLE ARE INTEGRAL PARTS OF THE NOV ANT HEALTH SYSTEM (COLLECTIVELY KNOWN AS "NOVANT"), A NOT-FOR-PROFIT INTEGRATED GROUP OF H OSPITALS, PHYSICIAN CLINICS, OUTPATIENT CENTERS AND OTHER HEALTHCARE SERVICE PROVIDERS NO VANT IS RANKED AS ONE OF OUR NATION'S TOP 25 HEALTHCARE SYSTEMS - CARING FOR PATIENTS AND COMMUNITIES IN NORTH CAROLINA, VIRGINIA AND SOUTH CAROLINA NOVANT HEALTH REPORTED $3 453 BILLION IN REVENUES IN 2011 PRESBYTERIAN HOSPITAL AND PRESBYTERIAN HOSPITAL HUNTERSVILLE EXIST TO IMPROVE THE HEALTH OF THE COMMUNITIES THEY SERVE WITH A VISION OF PROVIDING A REM ARKABLE PATIENT EXPERIENCE IN EVERY DIMENSION, EVERY TIME THEY ACCOMPLISH THAT MISSION BY PROVIDING HEALTHCARE SERVICES TO ALL WHO ENTRUST THEIR CARE TO THEM AND BY SUPPORTING THE GREATER CHARLOTTE COMMUNITY THROUGH PARTNERSHIPS AND OUTREACH THE HOSPITALS' SUPPORT ORG ANIZATIONS THAT PROVIDE HEALTH SERVICES, EDUCATION AND ASSISTANCE TO THE UNINSURED AND OVE RALL COMMUNITY IN ADDITION TO OUR QUALITY OF SERVICES, WE'RE VERY PROUD OF OUR PATIENT FI NANCIAL ASSISTANCE PROGRAM WE WORK WITH INDIVIDUALS TO HELP QUALIFY THEM FOR PUBLIC ASSIS TANCE, ESTABLISH A REASONABLE PAY MENT PLAN, DISCOUNT THEIR BILL TO REFLECT THEIR PERSONAL RESOURCES OR PROVIDE THEM WITH FREE CHARITY CARE. COMMUNITY OUTREACH THE HOSPITALS ARE PRO UD OF THEIR OUTREACH EFFORTS, SUCH AS THE PRESBYTERIAN HOSPITAL COMMUNITY CARE CRUISER, SU PPORTED ENTIRELY BY DONATIONS SECURED THROUGH THE PRESBYTERIAN HOSPITAL FOUNDATION THE CR UISER IS A 38-FOOT MEDICAL CLINIC-ON-WHEELS THE CLINICAL STAFF ON THE CRUISER PROVIDES PR IMARY AND PREVENTIVE PEDIATRIC MEDICAL CARE TO UNDERSERVED CHILDREN IN CHARLOTTE AND SURRO UNDING AREAS THE CRUISER HAS JOURNEYED INTO AT-RISK NEIGHBORHOODS, TREATED MORE THAN 6,70 0 PATIENTS AND PROVIDED MORE THAN 9,600 IMMUNIZATIONS SINCE ITS LAUNCH IN 2007 IN 2011, P RESBYTERIAN HOSPITAL LAUNCHED THE VITALITY CHALLENGE, A PROGRAM TO ENCOURAGE THE COMMUNITY TO ADOPT HEALTH HABITS FOR WEIGHT LOSS A COMMUNITY HEALTH DAY WAS HELD AT A LOCAL COLLEG E AND PROVIDED FREE HEALTH SCREENINGS AND EDUCATIONAL SEMINARS TO OVER 150 PEOPLE. PRESBYT ERIAN HOSPITAL HUNTERSVILLE'S CARDIAC NURSE NAVIGATOR PROVIDED BLOOD PRESSURE SCREENINGS I N LOCAL BARBERSHOPS, EDUCATING MEN ABOUT HEART DISEASE WHO MIGHT NOT OTHERWISE SEEK CARE F ROM A PHYSICIAN PRESBYTERIAN HOSPITAL HUNTERSVILLE ALSO HOSTED FREE COMMUNITY PROSTATE CA NCER SCREENINGS TO MEN IN THE AREA IN 2011 NEW TECHNOLOGY & SERVICES PRESBYTERIAN HOSPITA L AND PRESBYTERIAN HOSPITAL HUNTERSVILLE ARE CONTINUALLY ANALYZING OUR HEALTHCARE OFFERING S TO DETERMINE WHAT NEW TECHNOLOGY AND SERVICES SHOULD BE PROVIDED FOR OUR PATIENTS IN 20 11, PRESBYTERIAN HOSPITAL INTRODUCED THE FOLLOWING NEW SERVICES - PRESBYTERIAN SPINE FRAC TURE CLINIC - A CLINIC TO FACILITATE TIMELY, APPROPRIATE TREATMENT FOR VERTEBRAL COMPRESSI ON FRACTURES WHEN LEFT UNTREATED, THESE FRACTURES HEAL SLOWLY OR NOT AT ALL AND CAN LEAD TO PERMANENT PROBLEMS THE NEW SPINE FRACTURE CLINIC PROVIDES PATIENTS AND REFERRING PHYSI CIANS A SEAMLESS PROCESS FOR FURTHER EVALUATION ONCE A FRACTURE HAS BEEN DETECTED, FOLLOWE D BY MINIMALLY INVASIVE THERAPY DESIGNED TO RAPIDLY REDUCE PAIN AND STABILIZE THE SPINE TO FOSTER HEALING - PRESBYTERIAN ANEURYSM CLINIC - IN DECEMBER 2011, THE PRESBYTERIAN ANEUR YSM CLINIC WAS CREATED TO ADDRESS THE DANGER OF INTRACRANIAL ANEURYSMS WHILE MANY INDIVID UALS LIVE WITH UNDETECTED INTRACRANIAL ANEURYSMS FOR YEARS, AN ANEURYSM BECOMES LIFE-THREA TENING THE MOMENT IT RUPTURES 20 PERCENT RESULT IN DEATH WITHIN THE FIRST 24 HOURS OF TH E REMAINING 80 PERCENT, ONE-THIRD DIE IN THE HOSPITAL, ONE-THIRD SUFFER SIGNIFICANT, LONG- TERM NEUROLOGICAL SY MPTOMS, AND ONE-THIRD WILL RETURN TO INDEPENDENT LIVING BUT WITH SIDE EFFECTS WHEN AN ANEURYSM IS DETECTED, THE TEAM EVALUATES AND WEIGHS ALL OF THESE FACTORS AND RECOMMENDATION FOLLOW-UP OR TREATMENT TO REDUCE THE RISK OF RUPTURE - NEW HOSPITAL WI NG AND CHILDREN'S EMERGENCY DEPARTMENT - IN 2011, PRESBYTERIAN HOSPITAL OPENED TWO NEW WIN GS TO THE HOSPITAL ONE IS A 100,000-SQUARE-FOOT, FOUR-STORY VERTICAL EXPANSION WHICH INCL UDES 90 NEW STATE-OF-THE-ART PATIENT ROOMS, A 20-BED CARDIAC TRIAGE UNIT, NEW PUBLIC SAFET Y/EMERGENCY MANAGEMENT OFFICE AND 5,000 SQUARE FEET OF ADDITIONAL EDUCATIONAL CLASSROOMS THE SECOND WING HOUSES NEW OPERATING ROOM SUITES, A NEW PHARMACY AS WELL AS AN EXPANDED CH ILDREN'S EMERGENCY DEPARTMENT WHICH TRIPLED ITS SIZE. THE CHILD-FRIENDLY SPACE WAS DESIGNE D WITH A SEPARATE ENTRANCE AND WAITING ROOM, 14 EXAM ROOMS AND TWO TRIAGE ROOMS, AS WELL A S TWO CRITICAL CARE ROOMS SPECIALLY DESIGNED FOR PEDIATRICS - LUNG NODULE EVALUATION PROG RAM - THROUGH A PARTNERSHIP BETWEEN RADIOLOGY, PULMONOLOGY, THORACIC SURGERY AND ONCOLOGY, THIS PROGRAM PROVIDES A CLEAR PATH OF CARE FOR PATIENTS WHO ARE FOUND TO HAVE INCIDENTAL LUNG NODULES DURING A CT SCAN ONCE THESE NODULES ARE IDENTIFIED, EACH CASE IS ASSESSED AN D TREATMENT OR FOLLOW-UP CARE IS PROVIDED - VASCU

Identifier	Return Reference	Explanation
ACTIVITIES	FORM 990, PART I, LINE 1 ORGANIZATION'S MISSION OR MOST SIGNIFICANT	LAR SCREENING PROGRAM - PRESBYTERIAN HOSPITAL HUNTERSVILLE LAUNCHED THIS PROGRAM IN LATE 2 011 WHICH PROVIDES PATIENTS ACCESS TO DIAGNOSTIC TESTS TO DETERMINE THEIR RISK FOR VASCULA R DISEASE, FOLLOWED BY EDUCATION AND RECOMMENDATIONS FOR CARE - CANCER PATIENT NAVIGATOR - PRESBYTERIAN HOSPITAL HUNTERSVILLE ADDED ITS FIRST CANCER PATIENT NAVIGATOR, A REGISTERE D NURSE WITH SPECIAL TRAINING IN ONCOLOGY THE NAVIGATOR'S PRIMARY FUNCTION IS TO MAKE THE CANCER JOURNEY AS SEAMLESS AS POSSIBLE FOR PATIENTS SHORTLY AFTER DIAGNOSIS, THE NAVIGAT OR CONSULTS WITH THE PATIENT AND PROVIDES INFORMATION ON AVAILABLE PROGRAMS SUCH AS SUPPOR T GROUPS, COUNSELING, SY MPTOM MANAGEMENT AND THE SECOND OPINION CANCER CLINIC THE NAVIGAT OR ALSO COORDINATES PHY SICIAN APPOINTMENTS, PROVIDES A FAMILIAR FACE AT PRE-SURGERY/SURGER Y, AND ANSWERS QUESTIONS AND OFFERS SUPPORT AWARDS, RECOGNITIONS & RE-CERTIFICATIONS PRES BYTERIAN HOSPITAL AND PRESBYTERIAN HOSPITAL HUNTERSVILLE WERE THE RECIPIENTS OF SEVERAL NA TIONAL AWARDS IN 2011 - BEST HOSPITALS IN AMERICA - PRESBYTERIAN HOSPITAL WAS NAMED ONE O F THE 50 BEST HOSPITALS IN AMERICA BY BECKER'S HOSPITAL REVIEW IN 2011 THE HOSPITAL RECEI VED THIS RECOGNITION FOR ITS QUALITY CARE, PUTTING PATIENTS' NEEDS FIRST AND USING INNOVAT ION IN HEALTHCARE - MISSION LIFELINE SILVER AND BRONZE PERFORMANCE ACHIEVEMENT AWARD - P RESBYTERIAN HOSPITAL RECEIVED THE SILVER AWARD FROM THE AMERICAN HEART ASSOCIATION AND PRE SBYTERIAN HOSPITAL HUNTERSVILLE RECEIVED THE BRONZE AWARD THE AWARDS RECOGNIZE PRESBYTERI AN'S COMMITMENT AND SUCCESS IN IMPLEMENTING A HIGHER STANDARD OF CARE FOR HEART ATTACK PAT IENTS THAT EFFECTIVELY IMPROVES THE SURVIVAL AND CARE OF STEMI (ST ELEVATION MY OCARDIAL IN FARCTION) PATIENTS HOSPITALS INVOLVED IN MISSION LIFELINE STRIVE TO IMPROVE CARE IN BOTH ACUTE TREATMENT MEASURES AND DISCHARGE MEASURES - VHA LEADERSHIP AWARD FOR CLINICAL EXCE LLENCE - VHA INC , A NATIONAL HEALTHCARE NETWORK OF NOT-FOR-PROFIT HEALTH CARE ORGANIZATIO NS, RECENTLY PRESENTED PRESBYTERIAN HOSPITAL WITH ITS 2011 VHA LEADERSHIP AWARD FOR CLINIC AL EXCELLENCE, AN HONOR FOR EXCEEDING NATIONAL PERFORMANCE STANDARDS FOR CLINICAL CARE AND IMPROVING THE PATIENT EXPERIENCE PRESBYTERIAN HOSPITAL IS AMONG ONLY 28 HOSPITALS NATION WIDE, AND THE ONE OF ONLY THREE HOSPITALS IN THE CAROLINAS, RECOGNIZED BY VHA FOR ACHIEVIN G TOP PERFORMANCE IN CENTERS FOR MEDICARE AND MEDICAID SERVICES' CLINICAL CORE MEASURES AN D HOSPITAL CONSUMER ASSESSMENT OF HEALTHCARE PROVIDERS AND SY STEMS (HCAHPS) - 60 HOSPITAL S WITH GREAT ORTHOPEDIC PROGRAMS - PRESBYTERIAN ORTHOPAEDIC HOSPITAL (POH), A RELATED HOSP ITAL CLOSELY ALIGNED WITH PRESBYTERIAN HOSPITAL, WAS ONE OF ONLY FOUR HOSPITALS IN THE CAR OLINAS NAMED TO THE "60 HOSPITALS WITH GREAT ORTHOPEDIC PROGRAMS" LIST FOR 2011 BY BECKER' S HOSPITAL REVIEW HOSPITALS WERE INCLUDED ON THIS LIST BASED ON EXHIBITING EXCELLENCE IN ORTHOPEDICS, QUALITY OF SERVICE, OUTSTANDING LOCAL AND NATIONAL REPUTATIONS AND HIGH VOLUM E OF ORTHOPEDIC CASES - PRC "TOP PERFORMER" PATIENT SATISFACTION AWARD - PRESBYTERIAN HOS PITAL'S OUTPATIENT RADIATION ONCOLOGY DEPARTMENT RECEIVED A "TOP PERFORMER" AWARD FROM PRO FESSIONAL RESEARCH CONSULTANTS (PRC), A NATIONAL HEALTHCARE MARKETING ORGANIZATION THAT CO NDUCTS SATISFACTION SURVEYS FOR THE HOSPITAL THE TOP PERFORMER AWARD INDICATES THAT FACIL ITIES ARE AT OR ABOVE THE 100TH PERCENTILE FOR THE OVERALL QUALITY OF CARE PERCENT "EXCELL ENT" SCORE FROM THE NATIONAL CLIENT DATABASE

Identifier	Return Reference	Explanation
	FORM 990, PART III, LINE 1 MISSION, VISION, AND VALUES	MISSION NOVANT HEALTH EXISTS TO IMPROVE THE HEALTH OF COMMUNITIES, ONE PERSON AT A TIME. VISION WE, THE EMPLOYEES OF NOVANT AND OUR PHYSICIAN PARTNERS, WILL DELIVER THE MOST REMARKABLE PATIENT EXPERIENCE, IN EVERY DIMENSION, EVERY TIME. VALUES COMPASSION WE TREAT OUR CUSTOMERS AND THEIR FAMILIES, STAFF AND OTHER HEALTHCARE PROVIDERS AS FAMILY MEMBERS BY SHOWING THEM KINDNESS, PATIENCE, EMPATHY AND RESPECT DIVERSITY WE RECOGNIZE THAT EVERY PERSON IS DIFFERENT, EACH SHAPED BY UNIQUE LIFE EXPERIENCES THIS ENABLES US TO BETTER UNDERSTAND ONE ANOTHER AND OUR CUSTOMERS PERSONAL EXCELLENCE. WE STRIVE TO GROW PERSONALLY AND PROFESSIONALLY, AND WE APPROACH EACH SERVICE OPPORTUNITY WITH A POSITIVE, FLEXIBLE ATTITUDE. HONESTY AND PERSONAL INTEGRITY GUIDE ALL THAT WE DO TEAMWORK THE NEEDS AND EXPECTATIONS OF ANY ONE CUSTOMER ARE GREATER THAN THAT WHICH ONE PERSON'S SERVICE EFFORTS CAN SATISFY WE SUPPORT EACH OTHER SO THAT TOGETHER AS A TEAM, WE CAN BE SUCCESSFUL IN THE EYE OF THE CUSTOMER AS A QUALITY SERVICE PROVIDER

Identifier	Return Reference	Explanation
	FORM 990, PART I, LINE 6	THE NUMBER OF VOLUNTEERS REPORTED INCLUDES THOSE VOLUNTEERS SERVING AS BOARD MEMBERS

Identifier	Return Reference	Explanation
		COMMUNITY BENEFIT REPORT HTTP://WWW.NOVANTHEALTH.ORG/GIVEBACK/COMMUNITYBENEFITREPORT.ASPX THE COMMUNITY BENEFIT REPORT PREPARED BY NOVANT HEALTH IS A SYSTEM-WIDE REPORT THAT INCLUDES QUALITATIVE AND QUANTITATIVE INFORMATION. IN THIS REPORT, THE NOVANT HEALTH SYSTEM'S COMMUNITY BENEFIT WAS APPROXIMATELY $567,000,000 IN 2011. PLEASE NOTE THAT THE NUMERIC DATA IN THIS REPORT IS NOT BASED UPON THE FORM 990, SCHEDULE H CRITERIA, BUT RATHER IT HAS BEEN PREPARED IN ACCORDANCE WITH THE NORTH CAROLINA HOSPITAL ASSOCIATION REPORTING GUIDELINES. IT SHOULD NOT BE RELIED UPON AS THE ORGANIZATION'S FORM 990, SCHEDULE H COMMUNITY BENEFIT REPORT

Identifier	Return Reference	Explanation
	FORM 990, PART III, LINE 4A PROGRAM SERVICE ACCOMPLISHMENTS	PHH HAD 60 LICENSED BEDS THERE WERE 20,340 PATIENT DAYS, WITH AN AVERAGE LENGTH OF STAY OF 3 6 DAYS AND AN AVERAGE DAILY CENSUS OF 56 THERE WERE 5,598 DISCHARGES, 4,680 INPATIENT AND OUTPATIENT SURGERIES, 58,018 OUTPATIENT ENCOUNTERS AND 34,611 EMERGENCY DEPARTMENT VISITS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 4	SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS THE BYLAWS WERE REVISED TO CHANGE AND/OR ADD OFFICER TITLES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	CLASSES OF MEMBERS OR STOCKHOLDERS THE CORPORATION IS A NONPROFIT CORPORATION WITH MEMBERS (OR A MEMBER)

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	ELECTION OF MEMBERS AND THEIR RIGHTS THE BOARD MEMBERS OF THE GOVERNING BODY OF PRESBYTERIAN HOSPITAL ARE THE SAME AS THOSE OF THE NOVANT HEALTH SOUTHERN PIEDMONT REGION, LLC, A RELATED ENTITY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	DECISIONS SUBJECT TO APPROVAL OF MEMBERS THE BOARD OF NOVANT HEALTH, INC APPROVES CHANGES MADE TO THE PRESYTERIAN HOSPITAL BYLAWS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	ORGANIZATION'S PROCESS TO REVIEW FORM 990 THE BOARD HAS DELEGATED REVIEW OF THE FORM 990 TO NOVANT HEALTH'S AUDIT AND COMPLIANCE COMMITTEE, WHICH OVERSEES TAX MATTERS FOR NOVANT HEALTH THE AUDIT AND COMPLIANCE COMMITTEE IS THE REVIEW BODY FOR ALL OF THE FORM 990S FILED FOR ORGANIZATIONS WITHIN THE NOVANT HEALTH SYSTEM THE AUDIT AND COMPLIANCE COMMITTEE MEETS BEFORE THE FORM 990S ARE FILED WITH THE IRS AND AFTER ALL BOARD MEMBERS HAVE RECEIVED A COPY OF THE FORM 990 AND A SUMMARY OF ITS CONTENTS THE SENIOR DIRECTOR OF TAX AND LEGAL COUNSEL FOR NOVANT HEALTH ATTEND THE MEETING TO ANSWER ANY QUESTIONS AND ADDRESS ANY SIGNIFICANT DISCLOSURES WITHIN THE FORM 990

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	MONITORING AND ENFORCEMENT OF COI THE ORGANIZATION'S TRUSTEE CONFLICT OF INTEREST POLICY APPLIES TO ALL TRUSTEES, PRINCIPAL OFFICERS OR MEMBERS OF A COMMITTEE WITH BOARD DELEGATED POWERS INCLUDING ANY APPLICABLE DISREGARDED ENTITIES ALL TRUSTEES ARE SENT AN ANNUAL DISCLOSURE FORM ANY POSITIVE ANSWERS ON THE TRUSTEE ANNUAL DISCLOSURE FORM ARE REVIEWED BY THE GENERAL COUNSEL IF THE RELATIONSHIP DISCLOSED IS DETERMINED NOT TO POSE A POTENTIAL CONFLICT OF INTEREST GENERALLY, THEN NO ACTION IS TAKEN WITH RESPECT TO PARTICULAR TRANSACTIONS THAT COME BEFORE THE BOARD, THE POTENTIAL CONFLICT OF INTEREST IS DISCLOSED BY THE BOARD MEMBER, GENERALLY IN ADVANCE OF THE MEETING AT WHICH A VOTE IS TO TAKE PLACE, AND LEGAL COUNSEL DISCUSSES THE POTENTIAL CONFLICT OF INTEREST WITH THE BOARD MEMBER THE BOARD MEMBER IS INSTRUCTED IN ACCORDANCE WITH THE TRUSTEE CONFLICT OF INTEREST POLICY IF A CONFLICT OF INTEREST IS FOUND TO EXIST, THEN THE BOARD MEMBER WITH THE CONFLICT REFRAINS FROM PARTICIPATION IN THE BOARD'S DELIBERATIONS AND VOTE ON THE TRANSACTION FORM 990, PART VI, SECTION B, LINE 13 WRITTEN WHISTLEBLOWER POLICY THE ORGANIZATION IS PART OF THE INTEGRATED HEALTHCARE SYSTEM OPERATED BY NOVANT HEALTH, INC (''NOVANT HEALTH''), THE PARENT ORGANIZATION NOVANT HEALTH'S BYLAWS AUTHORIZE IT TO ESTABLISH CERTAIN POLICIES FOR ALL OF ITS SUBSIDIARIES WITHIN THE SYSTEM ALL SUBSIDIARY ORGANIZATIONS FOLLOW ALL APPLICABLE NOVANT HEALTH CORPORATE POLICIES IN THEIR OPERATIONS NOVANT HEALTH HAS ESTABLISHED A WHISTLEBLOWER POLICY, WHICH ALL SUBSIDIARY ORGANIZATIONS IN THE SYSTEM FOLLOW THE INDIVIDUAL SUBSIDIARY ORGANIZATION'S BOARD OF TRUSTEES DO NOT SPECIFICALLY ADOPT OR APPROVE EACH OPERATING POLICY, AS THERE ARE HUNDREDS OF POLICIES THAT APPLY TO ALL SUBSIDIARY ORGANIZATIONS AND THEY CANNOT PRACTICABLY BE APPROVED BY ALL OF THE INDIVIDUAL BOARDS FORM 990, PART VI, SECTION B, LINE 14 WRITTEN DOCUMENT RETENTION AND DESTRUCTION POLICY THE ORGANIZATION IS PART OF THE INTEGRATED HEALTHCARE SYSTEM OPERATED BY NOVANT HEALTH, INC (''NOVANT HEALTH''), THE PARENT ORGANIZATION NOVANT HEALTH'S BYLAWS AUTHORIZE IT TO ESTABLISH CERTAIN POLICIES FOR ALL OF ITS SUBSIDIARIES WITHIN THE SYSTEM ALL SUBSIDIARY ORGANIZATIONS FOLLOW ALL APPLICABLE NOVANT HEALTH CORPORATE POLICIES IN THEIR OPERATIONS NOVANT HEALTH HAS ESTABLISHED A DOCUMENT RETENTION AND DESTRUCTION POLICY, WHICH ALL SUBSIDIARY ORGANIZATIONS IN THE SYSTEM FOLLOW THE INDIVIDUAL SUBSIDIARY ORGANIZATION'S BOARD OF TRUSTEES DO NOT SPECIFICALLY ADOPT OR APPROVE EACH OPERATING POLICY, AS THERE ARE HUNDREDS OF POLICIES THAT APPLY TO ALL SUBSIDIARY ORGANIZATIONS AND THEY CANNOT PRACTICABLY BE APPROVED BY ALL OF THE INDIVIDUAL BOARDS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	FORM 990, PART VI, SECTION B, LINE 15A COMPENSATION PROCESS FOR TOP OFFICIAL INDEPENDENT AND DISINTERESTED MEMBERS OF THE NOVANT HEALTH BOARD OF TRUSTEES (WHO COMPRISE THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD) REVIEW, APPROVE, AND OVERSEE ALL ASPECTS OF COMPENSATION AND BENEFITS FOR CERTAIN LEADERS AND EXECUTIVES ("EXECUTIVES") SERVING RELATED OR DISREGARDED ENTITIES THE COMMITTEE WORKS WITH AN INDEPENDENT COMPENSATION CONSULTANT, USES THIRD PARTY COMPARABILITY DATA FOR FUNCTIONALLY SIMILAR POSITIONS AT SIMILARLY SITUATED ORGANIZATIONS, AND MAKES SURE THAT TOTAL COMPENSATION AND BENEFITS FOR EACH EXECUTIVE DO NOT EXCEED FAIR MARKET VALUE WHEN COMPARED TO THE MARKET DATA FOR SIMILAR POSITIONS THE COMMITTEE REVIEWS AND APPROVES EXECUTIVE COMPENSATION AND BENEFITS ANNUALLY, CONSISTENT WITH THE WRITTEN EXECUTIVE COMPENSATION PHILOSOPHY OF NOVANT HEALTH, AND IN A MANNER THAT QUALIFIES FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS, THEREBY ASSURING THAT TOTAL COMPENSATION AND BENEFITS PROVIDED TO EACH EXECUTIVE IS REASONABLE. THE COMMITTEE REVIEWS AND APPROVES EACH ITEM OF THE NOVANT HEALTH SYSTEM CEO'S COMPENSATION AND BENEFITS FORM 990, PART VI, SECTION B, LINE 15B COMPENSATION PROCESS FOR OFFICERS INDEPENDENT AND DISINTERESTED MEMBERS OF THE NOVANT HEALTH BOARD OF TRUSTEES (WHO COMPRISE THE COMPENSATION AND LEADERSHIP COMMITTEE OF THE BOARD) REVIEW, APPROVE, AND OVERSEE ALL ASPECTS OF COMPENSATION AND BENEFITS FOR CERTAIN LEADERS AND EXECUTIVES ("EXECUTIVES") SERVING RELATED OR DISREGARDED ENTITIES THE COMMITTEE WORKS WITH AN INDEPENDENT COMPENSATION CONSULTANT, USES THIRD PARTY COMPARABILITY DATA FOR FUNCTIONALLY SIMILAR POSITIONS AT SIMILARLY SITUATED ORGANIZATIONS, AND MAKES SURE THAT TOTAL COMPENSATION AND BENEFITS FOR EACH EXECUTIVE DO NOT EXCEED FAIR MARKET VALUE WHEN COMPARED TO THE MARKET DATA FOR SIMILAR POSITIONS THE COMMITTEE REVIEWS AND APPROVES EXECUTIVE COMPENSATION AND BENEFITS ANNUALLY, CONSISTENT WITH THE WRITTEN EXECUTIVE COMPENSATION PHILOSOPHY OF NOVANT HEALTH, AND IN A MANNER THAT QUALIFIES FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS, THEREBY ASSURING THAT TOTAL COMPENSATION AND BENEFITS PROVIDED TO EACH EXECUTIVE IS REASONABLE. LASTLY, IT REVIEWS AND APPROVES ALL OF THE ELEMENTS AND SPECIFICATIONS INCLUDED IN ALL OTHER EXECUTIVE AND LEADER COMPENSATION PLANS AND PROGRAMS (E.G., INCENTIVE PLAN DESIGN, AWARD OPPORTUNITIES, ETC.)

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS DISCLOSURE THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS CONTAINING ALL ORGANIZATIONS IN THE NOVANT HEALTH SYSTEM ARE POSTED TO THE NOVANT HEALTH WEBSITE. THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE NOT AVAILABLE TO THE PUBLIC

Identifier	Return Reference	Explanation
	FORM 990, PART VII, SECTION A, COLUMN B RELATED ORGANIZATIONS	THE ORGANIZATION EMPLOYS CERTAIN EXECUTIVES WHOSE ROLES ARE SUCH THAT THEY PROVIDE SERVICES TO NOT ONLY THE ORGANIZATION, BUT ALSO TO SOME OR ALL OF THE OTHER TAX-EXEMPT ORGANIZATIONS WITHIN THE NOVANT HEALTH CARE SYSTEM FOR EXAMPLE, MANY OF THESE EXECUTIVES' ROLES FOCUS ON PARTICULAR SERVICE LINES WHICH CROSS THE VARIOUS GEOGRAPHIC MARKETS OUR ORGANIZATIONS SERVE, THUS THE SERVICES PROVIDED BY THESE EXECUTIVES MAY BENEFIT AND BE RECEIVED BY MULTIPLE ORGANIZATIONS WITHIN THE SYSTEM THE EXECUTIVES DO NOT ALLOCATE THEIR HOURS BETWEEN THE VARIOUS ORGANIZATIONS, BUT RATHER THEIR TIME SPENT ON SERVICES TO THE ORGANIZATION IS INCLUSIVE OF SERVICES TO ALL OF THE ORGANIZATIONS THEY SERVE WITHIN THE SYSTEM

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	AFFILIATE TRANSFERS -1,623,219 MALPRACTICE INSURANCE ADJUSTMENT -3,432,914 K-1 ADJUSTMENTS -916,965 TOTAL TO FORM 990, PART XI, LINE 5 -5,973,098

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PRESBYTERIAN HOSPITAL

Employer identification number
56-0554230

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) Disproportionate allocations? No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) General or managing partner? No	(k) Percentage ownership
(1) SOUTHPARK SURGERY CENTER LLC 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 87-0714098	HEALTHCARE	NC	PRESBYTERIAN HOSPITAL	RELATED	916,965	4,019,278		No			No	60 000 %

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

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) SOUTH PARK SURGERY CENTER	P	4,189,130	COST
(2) SOUTH PARK SURGERY CENTER	R	1,099,900	CASH
(3)			
(4)			
(5)			
(6)			

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 56-0554230
Name: PRESBYTERIAN HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization	
AUXILIARY OF FORSYTH MEMORIAL HOSPITAL 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 56-0862112	HEALTHCARE	NC	501(C)(3)	LINE 9	FORSYTH MEMORIAL HOSPITAL		No
BRUNSWICK NOVANT MEDICAL CENTER FOUNDATION 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 27-4616751	HEALTHCARE	NC	501(C)(3)	LINE 7	BRUNSWICK COMMUNITY HOSPITAL LLC		No
CAROLINA MEDICORP ENTERPRISES 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 58-1466368	HEALTHCARE	NC	501(C)(3)	LINE 11B, II	NOVANT MEDICAL GROUP		No
COMMUNITY GENERAL HEALTH PARTNERS 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 56-0636250	HEALTHCARE	NC	501(C)(3)	LINE 3	NOVANT HEALTH TRIAD REGION		No
COMMUNITY GENERAL HOSPITAL FOUNDATION 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 56-1828629	HEALTHCARE	NC	501(C)(3)	LINE 7	COMMUNITY GENERAL HEALTH PARTNERS		No
CONTINUING CARE SERVICES 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 54-1288473	HEALTHCARE	VA	501(C)(3)	LINE 9	PRINCE WILLIAM HEALTH SYSTEM		No
FORSYTH MEDICAL CENTER FOUNDATION 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 56-2120959	HEALTHCARE	NC	501(C)(3)	LINE 7	FORSYTH MEMORIAL HOSPITAL		No
FORSYTH MEMORIAL HOSPITAL 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 56-0928089	HEALTHCARE	NC	501(C)(3)	LINE 3	NOVANT HEALTH TRIAD REGION		No
FOUNDATION HEALTH SYSTEMS CORP 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 56-1373175	HEALTHCARE	NC	501(C)(3)	LINE 9	NOVANT HEALTH TRIAD REGION		No
MEDICAL PARK HOSPITAL 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 56-1340424	HEALTHCARE	NC	501(C)(3)	LINE 3	NOVANT HEALTH TRIAD REGION		No
NOVANT HEALTH INC 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 56-1376950	HEALTHCARE	NC	501(C)(3)	LINE 11C, III-FI	N/A		No
NOVANT MEDICAL GROUP 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 58-1728803	HEALTHCARE	NC	501(C)(3)	LINE 3	NMG SERVICES INC		No
PERSONAL CARE SERVICES 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 54-1291284	HEALTHCARE	VA	501(C)(3)	LINE 9	PRINCE WILLIAM HEALTH SYSTEM		No
PRESBYTERIAN HOSPITAL FOUNDATION 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 58-1413074	HEALTHCARE	NC	501(C)(3)	LINE 7	NOVANT HEALTH SOUTHERN PIEDMONT REGION		No
PRESBYTERIAN MEDICAL CARE CORPORATION 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 56-1376368	HEALTHCARE	NC	501(C)(3)	LINE 3	NOVANT HEALTH SOUTHERN PIEDMONT REGION		No
PRINCE WILLIAM HEALTH SYSTEM 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 54-1278944	HEALTHCARE	VA	501(C)(3)	LINE 11C, III-FI	NOVANT HEALTH		No
PRINCE WILLIAM HEALTH SYSTEM FOUNDATION 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 54-1307595	HEALTHCARE	VA	501(C)(3)	LINE 11A, I	PRINCE WILLIAM HEALTH SYSTEM		No
PRINCE WILLIAM HOSPITAL 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 54-0696355	HEALTHCARE	VA	501(C)(3)	LINE 3	PRINCE WILLIAM HEALTH SYSTEM		No
ROWAN HEALTH SERVICES CORP 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 56-1424814	HEALTHCARE	NC	501(C)(3)	LINE 11C, III-FI	NOVANT HEALTH		No
NMG SERVICES INC (FKA ROWAN MEDICAL PRACTICES) 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 56-2098809	HEALTHCARE	NC	501(C)(3)	LINE 9	NOVANT HEALTH		No

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
ROWAN REGIONAL MEDICAL CENTER AUXILIARY 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 23-7022472	HEALTHCARE	NC	501(C)(3)	LINE 9	ROWAN REGIONAL MEDICAL CENTER		No
ROWAN REGIONAL MEDICAL CENTER FOUNDATION INC 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 56-1424818	HEALTHCARE	NC	501(C)(3)	LINE 7	ROWAN REGIONAL MEDICAL CENTER		No
ROWAN REGIONAL MEDICAL CENTER INC 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 56-0547479	HEALTHCARE	NC	501(C)(3)	LINE 3	ROWAN HEALTH SERVICES CORP		No
SELF INSURANCE FUND - NOVANT HEALTH INC 2085 FRONTIS PLAZA BLVD WINSTON SALEM, NC 27103 58-1867242	HEALTHCARE	NC	501(C)(3)	LINE 11C, III-FI	NOVANT HEALTH		No

Novant Health, Inc. and Affiliates

Combined Financial Statements
December 31, 2011 and 2010

Novant Health, Inc. and Affiliates
Index
December 31, 2011 and 2010

pwc

Report of Independent Auditors

To the Board of Trustees of
Novant Health, Inc.

In our opinion, the accompanying combined balance sheets and the related combined statements of operations, changes in net assets and cash flows present fairly, in all material respects, the financial position of Novant Health, Inc. and Affiliates (the "Company") at December 31, 2011 and 2010 and the combined results of their operations and changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As noted in Note 2 to the consolidated financial statements, the Company adopted *ASU 2011-08 Testing Goodwill for Impairment* in 2011 and performed a qualitative assessment on whether it is more likely than not that the fair value of the reporting unit exceeds the carrying value of the reporting unit for certain reporting units.

PricewaterhouseCoopers LLP

March 30, 2012

PricewaterhouseCoopers LLP, 800 Green Valley Road, Suite 500, Greensboro, NC 27408
T: (336) 665-2700, F: (336) 665-2699, www.pwc.com/us

Novant Health, Inc. and Affiliates
Combined Balance Sheets
December 31, 2011 and 2010

(in thousands of dollars)	2011	2010
Assets		
Current assets		
Cash and cash equivalents	$ 301,708	$ 507,879
Accounts receivable, net of allowance for doubtful accounts of $198,654 in 2011 and $184,169 in 2010	393,211	392,328
Short-term investments	185,450	45,088
Deferred tax asset	5,266	6,118
Assets held for sale	2,918	10,566
Other current assets	116,581	121,967
Total current assets	1,005,134	1,083,946
Assets limited as to use	152,569	205,928
Long-term investments	1,081,962	1,027,269
Property and equipment, net	1,558,386	1,581,273
Intangible assets and goodwill, net	462,010	505,954
Investments in affiliates	173,189	173,062
Deferred tax asset	5,714	3,325
Other assets	42,987	45,492
Total assets	$ 4,481,951	$ 4,626,249
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt	$ 167,623	$ 155,421
Short-term borrowings	80,876	95,812
Accounts payable	112,237	116,870
Accrued liabilities	294,222	273,325
Estimated third-party payor settlements	15,637	5,056
Total current liabilities	670,595	646,484
Long-term debt, net of current portion	1,531,976	1,702,154
Derivative financial instruments	71,810	40,752
Employee benefits and other liabilities	330,280	285,057
Total liabilities	2,604,661	2,674,447
Commitments and contingencies		
Net assets		
Unrestricted - attributable to Novant	1,831,679	1,909,918
Unrestricted - noncontrolling interests	10,972	7,503
Temporarily restricted	25,743	25,672
Permanently restricted	8,896	8,709
Total net assets	1,877,290	1,951,802
Total liabilities and net assets	$ 4,481,951	$ 4,626,249

The accompanying notes are an integral part of these combined financial statements

Novant Health, Inc. and Affiliates
Combined Statements of Operations and Changes in Net Assets
Years Ended December 31, 2011 and 2010

(in thousands of dollars)	2011	2010
Unrestricted revenues, gains and other support		
Net patient service revenue	$ 3,315,396	$ 3,234,389
Premium revenue	2,948	4,694
Other revenue	134,785	139,107
Total unrestricted revenues, gains and other support	3,453,129	3,378,190
Expenses		
Salaries and employee benefits	1,797,221	1,757,466
Supplies and other	1,138,192	1,098,716
Depreciation expense	157,202	172,789
Amortization expense	32,993	22,689
Goodwill impairment	44,118	16,019
Loss (gain) on sale of real estate	887	(8,125)
Interest expense	76,714	71,258
Provision for bad debts	185,579	176,869
Total expenses	3,432,906	3,307,681
Operating income	20,223	70,509
Other income (expense)		
Investment income (loss)	(19,817)	90,637
Unrealized loss on non-hedged derivative financial instruments	(68)	(253)
Income tax benefit	488	1,369
Other, net	64	(120)
Excess of revenues over expenses	$ 890	$ 162,142

Continued on following page

The accompanying notes are an integral part of these combined financial statements

Novant Health, Inc. and Affiliates
Combined Statements of Operations and Changes in Net Assets
Years Ended December 31, 2011 and 2010

(in thousands of dollars)	2011	2010
Unrestricted net assets		
Excess of revenues over expenses	$ 890	$ 162,142
Change in pension liability	(52,173)	4,912
Cumulative effect of change in accounting principle	-	(24,312)
Unrealized loss on derivative financial instruments	(32,363)	(11,025)
Miscellaneous changes in unrestricted net assets	(2,021)	(2,853)
Increase (decrease) in unrestricted net assets, before effects of discontinued operations	(85,667)	128,864
Discontinued operations		
Loss on discontinued operations	(4,391)	(7,469)
Income tax benefit	395	894
Gain on sale of discontinued operations	14,893	10,238
Increase (decrease) in unrestricted net assets	(74,770)	132,527
Temporarily restricted net assets		
Contributions and investment income	4,644	5,808
Net assets released from restrictions for operations	(4,573)	(6,805)
Increase (decrease) in temporarily restricted net assets	71	(997)
Permanently restricted net assets		
Contributions	187	215
Increase in permanently restricted net assets	187	215
Increase (decrease) in total net assets	(74,512)	131,745
Net assets, beginning of year	1,951,802	1,820,057
Net assets, end of year	$ 1,877,290	$ 1,951,802

The accompanying notes are an integral part of these combined financial statements

Novant Health, Inc. and Affiliates
Combined Statements of Cash Flows
Years Ended December 31, 2011 and 2010

(in thousands of dollars)	2011	2010
Cash flows from operating activities		
Increase (decrease) in net assets	$ (74,512)	$ 131,745
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation, amortization, and accretion	190,461	198,407
Loss (gain) on sale of real estate	887	(8,125)
Goodwill impairment	44,118	16,019
Gain on sale of discontinued operations	(14,893)	(10,238)
Cumulative effect of change in accounting principle	-	24,312
Share of earnings in affiliates, net of distributions	1,488	(4,253)
Net losses (gains) on assets limited as to use and investments	23,804	(70,681)
Change in fair value of interest rate swap	31,058	13,016
Provision for bad debts	185,579	176,869
Changes in operating assets and liabilities		
Accounts receivable	(186,462)	(143,159)
Investments and assets limited as to use	(221,576)	(152,056)
Accounts payable and accrued liabilities	19,326	25,417
Accrued pension liability	49,106	(725)
Deferred taxes, net	(1,537)	1,015
Other assets and liabilities, net	18,043	(1,002)
Net cash provided by operating activities	64,890	196,561
Cash flows from investing activities		
Capital expenditures	(188,040)	(208,282)
Proceeds from sale of affiliates	24,051	6,250
Proceeds from sale of property and equipment	10,632	5,467
Cash paid for acquisitions	(4,616)	-
Net proceeds from the liquidation (purchase) of short-term investments	(6,127)	6,763
Repayment of notes receivable and other, net	865	3,653
Net cash used in investing activities	(163,235)	(186,149)
Cash flows from financing activities		
Principal payments on long-term debt	(157,141)	(487,363)
Bond proceeds received from (deposited with) trustee	62,203	(51,336)
Proceeds from issuance of bonds	-	256,915
Payments on line of credit	(14,086)	(8,955)
Proceeds from line of credit and other financing	1,198	-
Net cash used in financing activities	(107,826)	(290,739)
Net decrease in cash and cash equivalents	(206,171)	(280,327)
Cash and cash equivalents		
Beginning of year	507,879	788,206
End of year	$ 301,708	$ 507,879

The accompanying notes are an integral part of these combined financial statements

Novant Health, Inc. and Affiliates
Combined Statements of Cash Flows
Years Ended December 31, 2011 and 2010

	2011	2010
Supplemental disclosure of cash flow information		
Interest paid, net of amounts capitalized	$ 76,960	$ 70,978
Income taxes paid	824	1,296
Supplemental disclosure of noncash financing and investing activities		
Additions to property and equipment financed through current liabilities	3,062	4,926

During 2011 and 2010, the Company entered into capital lease obligations of $827 and $857, respectively, for land, property and equipment of $827 and $857

During 2010, the Company exchanged five MedQuest locations for three North Carolina based mobile imaging centers As a result of that transaction, the Company exchanged the following assets

Property and equipment received	$ 650
Intangible assets and goodwill received	8,550
Property and equipment exchanged	(1,113)
Intangible assets and goodwill exchanged	(2,465)
Gain on sale of discontinued operations	(4,922)
Cash paid for exchange	$ 700

The accompanying notes are an integral part of these combined financial statements

1. Reporting Entity

Novant Health, Inc ("Novant" or the "Company") is a nonprofit health care system with dual headquarters in Winston-Salem and Charlotte, North Carolina Novant consists of thirteen hospitals and a 1,124-physician medical group with over 350 clinic locations Other facilities and programs of Novant include outpatient surgery and diagnostic centers, long-term care facilities, charitable foundations, a risk retention group, rehabilitation programs and community health outreach programs Hospitals include Presbyterian Hospital, Presbyterian Orthopaedic Hospital, Presbyterian Hospital Huntersville and Presbyterian Hospital Matthews of the Charlotte, North Carolina area, Forsyth Medical Center and Medical Park Hospital in Winston-Salem, North Carolina, Kernersville Medical Center in Kernersville, North Carolina, Thomasville Medical Center in Thomasville, North Carolina, Rowan Regional Medical Center ("Rowan") in Salisbury, North Carolina, Brunswick Novant Medical Center in Bolivia, North Carolina, Prince William Hospital ("PWHS") in Manassas, Virginia, Franklin Regional Medical Center in Louisburg, North Carolina, and Upstate Carolina Medical Center in Gaffney, South Carolina Novant and its affiliates serve their communities with programs including health education, home health care, prenatal clinics, community clinics and immunization services

2. Summary of Significant Accounting Policies

Principles of Combination

The combined financial statements include the accounts of all affiliates controlled by Novant All significant intercompany transactions and balances have been eliminated Investments in affiliates in which the Company does not have control or has a 50% or less interest are accounted for by either the equity or cost method

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 financial statements and the reported amounts of revenues and expenses during the reporting periods Actual results could differ from those estimates

Significant estimates include, but are not limited to, accounts receivable allowances, third-party payor settlements, goodwill and intangible asset valuation and subsequent recoverability, useful lives of intangible assets and property and equipment, medical and professional liability and other self-insurance accruals, and pension related assumptions

Fair Values of Financial Instruments

Carrying values of financial instruments classified as current assets and current liabilities approximate fair value

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding amounts limited as to use by board designation, donors or trustees

Accounts Receivable
Accounts receivable consist primarily of amounts owed by various governmental agencies, insurance companies and patients Novant manages these receivables by regularly reviewing the accounts and contracts and by providing appropriate allowances for uncollectible amounts In evaluating the collectibility of accounts receivable, the Company considers several factors, including historical collection results, the age of the accounts, changes in collection patterns, the composition of accounts by payor type, the status of ongoing disputes with payors and general industry conditions

Other Current Assets
Other current assets include inventories (which primarily consist of hospital and medical supplies and pharmaceuticals), prepaid expenses and other receivables Inventory costs are determined using the average cost method and are stated at the lower of cost or market value

Investments and Assets Limited as to Use
Investments and assets limited as to use are classified as trading securities Accordingly, unrealized gains and losses on investments are included in excess of revenues over expenses, unless the income or loss is restricted by donor or law Long-term investments and assets limited as to use are classified as noncurrent assets as the Company does not expect to use these funds to meet its current liabilities Assets limited as to use primarily include assets held by trustees under indenture agreements and assets designated for specific purposes by the Board of Trustees

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying combined balance sheets The Company also invests in alternative investments through limited partnerships and limited liability corporations ("LLCs") These investments are recorded using the equity method of accounting (which approximates fair value) with the related earnings reported as investment income in the accompanying combined financial statements The values provided by the respective partnership or LLC are based on historical costs, market value, or other estimates that require varying degrees of judgment Because these investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a market for such investments existed Such differences could be material The Company believes the carrying amount of these investments is a reasonable estimate of fair value

Investments are exposed to various risks, such as interest rate, market and credit risks 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 risks in the near term would materially affect the investment balances included in the financial statements

Derivatives
The Company selectively enters into interest rate protection agreements to mitigate changes in interest rates on variable rate borrowings The notional amounts of such agreements are used to measure the interest to be paid or received and do not represent the amount of exposure to loss None of these agreements are used for speculative or trading purposes

The Company recognizes all derivatives as either assets or liabilities in the combined balance sheets and measures those instruments at their fair value in accordance with generally accepted accounting principles ("GAAP") The accounting for changes in the fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship GAAP requires the Company to measure the effectiveness, as defined by GAAP, of all derivatives that qualify for hedge accounting The Company formally documents the hedging relationships at inception of the contract for derivative transactions, including identifying the hedge instruments and hedged items, as well as the risk management objectives and strategies for entering into the hedge transaction At inception and on a quarterly basis thereafter, the Company assesses the effectiveness of derivatives used to hedge transactions If a cash flow hedge is deemed effective, the change in fair value is recorded as an other change in unrestricted net assets If after assessment it is determined that a portion of the derivative is ineffective, then that portion of the derivative's change in fair value will be immediately recognized in excess of revenues over expenses The change in fair value of all derivatives that do not qualify for hedge accounting is also recognized in excess of revenues over expenses

Property and Equipment
Property and equipment are recorded at cost, if purchased, or at fair value at the date of donation, if donated Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets Leasehold improvements are amortized over the life of the lease or the useful life of the asset, whichever is shorter

Following is a summary of the estimated useful lives used in computing depreciation

Buildings	30–40 years
Machinery and equipment	3–15 years
Furniture and fixtures	7–14 years

Certain facilities and equipment held under capital leases are classified as property and equipment and amortized on the straight-line method over the period of the lease term or the estimated useful life of the asset, whichever is shorter The related obligations are recorded as liabilities Amortization of equipment under capital lease is included in amortization expense

Maintenance and repairs of property and equipment are expensed in the period incurred Replacements or improvements that increase the estimated useful life of an asset are capitalized Assets that are sold, retired or otherwise disposed of are removed from the respective asset cost and accumulated depreciation accounts and any gain or loss is included in the results of operations

Operating leases are accounted for in accordance with GAAP, which requires the recognition of fixed rental payments, including rent escalations, on a straight-line basis over the term of the lease

Under the terms of the 1984 deed in which the Forsyth County Board of County Commissioners conveyed the assets of Forsyth Memorial Hospital (the "Hospital") to Novant, Novant is required to operate the Hospital as a community general hospital open to the general public, and if Novant is dissolved, a successor nonprofit corporation approved by the Forsyth County Board of County Commissioners must carry out the terms and conditions of this conveyance If these terms are not met, all ownership rights to the Hospital shall revert to the County, including the buildings and land together with the personal property and equipment associated with the Hospital with a net book value of approximately $296,065 at December 31, 2011

Gifts of long-lived assets such as land, buildings, or equipment are excluded from the excess of revenues over expenses and are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service

Goodwill and Other Intangible Assets
Goodwill represents the excess of the purchase price over the fair value of the net assets of acquired companies Intangible assets generally represent the acquisition-date fair value of certain rights or relationships obtained in such business acquisitions

The Company considers certificates of need, which are required by certain states prior to the acquisition of high cost capital items, to be indefinite lived intangible assets The Company also has intangible assets with identifiable useful lives, related to business acquisitions These assets include business relationships and corporate trade names The Company also capitalizes the cost of software developed for internal use In accordance with GAAP, the company amortizes the cost of these intangible assets with identifiable useful lives down to their estimated residual value

Following is a summary of the estimated useful lives used in computing amortization

Business relationships	26 years
Corporate trade name	29 years
Software	3 - 10 years

In 2010, the Company adopted the FASB's new standard on mergers and acquisitions for not-for-profit entities This standard required not-for-profit organizations to stop amortizing goodwill and indefinite lived intangible assets and to test all such goodwill and indefinite lived intangible assets annually for impairment This new guidance also required the Company to perform a transitional impairment evaluation as of January 1, 2010 for goodwill and indefinite lived intangibles The Company completed this evaluation and recorded a transitional impairment adjustment of $24,312 This charge is shown as cumulative effect of a change in accounting principle in the combined statements of operations and changes in net assets for 2010

Impairment tests are performed at the reporting unit level for units that have goodwill In 2011, Novant elected to early adopt ASU 2011-8, *Testing Goodwill for Impairment* This guidance provides the option to perform a qualitative assessment of whether it is more likely than not that the fair value of the reporting unit exceeds the carrying value of the reporting unit If it is more likely than not that the fair value of the reporting unit exceeds the carrying value of the reporting unit, additional impairment testing is not required If it is more likely than not that the carrying value of the reporting unit exceeds the fair value of the reporting unit, additional testing for impairment is required GAAP prescribes a two step process for testing for goodwill impairments after applying the qualitative assessment The first step is to determine if the carrying value of the reporting unit with goodwill is less than the related fair value of the reporting unit The fair value of the reporting unit is determined through use of discounted cash flow methods and/or market based multiples of earnings and sales methods If the carrying value of the reporting unit is less than the fair value of the reporting unit the goodwill is not considered impaired If the carrying value is greater than the fair value, the potential for impairment of goodwill exists The goodwill impairment is determined by allocating the current fair value of the reporting unit among the assets and liabilities based on a purchase price allocation methodology as if the reporting unit was being acquired in a business

combination The fair value of the goodwill is implied from this allocation and compared to the carrying value with an impairment loss recognized if the carrying value is greater than the implied fair value

Investments in Affiliates
Investments in entities which Novant does not control, but in which it has a substantial ownership interest and can exercise significant influence, are accounted for using the equity method Investments in entities of 20% or less and where there are no qualitative indicators of significant influence are accounted for using the cost method The most significant of these investments include a hospital partnership, a clinical laboratory, a cancer center, and a home health, home infusion and durable medical equipment company

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained in perpetuity The earnings on permanently restricted net assets are available for use as specified by the donors The Company's temporarily restricted and permanently restricted net assets are predominantly held by related foundations for hospital service costs related to various centers at the acute care facilities

Contributions Received
Unconditional promises to give cash and other assets are reported at fair value at the date the 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 or the condition is met The 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, that is, when a stipulated time restriction ends or purpose restriction is met, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations as net assets released from restrictions, which is included in other operating revenue Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements

Income Taxes
Novant is classified as a nonprofit organization pursuant to Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on revenue earned from its tax-exempt purposes Novant also operates various for-profit subsidiaries which operate in service lines that are complimentary to Novant's tax-exempt purpose Income from activities that are determined by IRS regulations to be unrelated to the tax-exempt purposes as well as income from activities of for-profit subsidiaries of the Company are subject to federal and state taxation

The Company provides for income taxes using the asset and liability method This approach recognizes the amount of federal, state and local taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequences of events recognized in the consolidated financial statements and income tax returns Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates

A valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized Realization is dependent on generating sufficient future taxable income

Compensated Absences
The Company's employees earn vacation days at varying rates depending on years of service Vacation time accumulates up to certain limits, at which time no additional vacation hours can be earned Provided this hourly limit is not met, employees can continue to accumulate vacation hours and time can be carried over to future years Accrued vacation time is included in accrued liabilities on the Company's combined balance sheets

Excess of Revenues over Expenses
The 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 permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets, including donor restricted contributions for long-lived assets, changes in pension liabilities, unrealized gains and losses on derivative financial instruments, the effects of discontinued operations and changes in accounting principles

Reclassifications
Certain balances in prior fiscal years have been reclassified to conform to the presentation adopted in the current fiscal year In the accompanying 2010 combined balance sheet, the Company adjusted $44,078 of software from property and equipment to intangible assets Related expense of $14,754 was moved from depreciation expense to amortization expense in the accompanying 2010 combined statement of operations and changes in net assets

3. Organizational Changes

Discontinued Operations
During 2010, the Company made the decision to close or sell certain of its MedQuest outpatient imaging locations to unrelated third parties This decision was the result of management's efforts to more closely align the geographic locations of MedQuest facilities with the Company's long-term business plans Approximately 7 and 12 MedQuest locations were divested during 2011 and 2010, respectively, and an additional 5 sites are expected to be sold during 2012 In addition to these divestitures, the Company sold the operations of one of its long-term care facilities in 2011 and anticipates selling an additional long-term care location in 2012 In accordance with GAAP, the operating results related to these locations have been reported as discontinued operations in the combined statements of operations and changes in net assets The amounts of revenue and operating income that have been reported in discontinued operations are as follows

	2011	2010
Net operating revenue	$ 31,998	$ 71,188
Operating income	10,502	2,769

The accompanying combined balance sheets include assets held for sale related to the above transactions At December 31, 2011 and 2010, assets held for sale consist primarily of property and equipment and intangible assets

4. Net Patient Service Revenue

Net patient service revenue is presented net of provisions for contractual adjustments and other allowances Novant has agreements with third-party payors that provide for payments at amounts different from its established rates Retroactive adjustments are accrued on an estimated basis in the period the related service is rendered and adjusted in future periods as final settlements are determined

A summary of the payment arrangements with major third-party payors follows

Medicare and Medicaid
Inpatient acute care services rendered to program beneficiaries are paid at prospectively determined rates per diagnosis These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors Inpatient nonacute services, certain outpatient services, and defined capital and medical education costs related to beneficiaries are paid based on a cost reimbursement methodology Outpatient services are paid at a prospectively determined rate Novant is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by Novant and audits thereof by the fiscal intermediary Novant's cost reports have been audited and settled by the Medicare intermediary through 2006 Medicare cost reports for 2007-2009 have been audited but not finalized Medicaid cost reports are finalized through 2009

Revenue from the Medicare and Medicaid programs accounted for approximately 32 4% and 7 1%, respectively, of Novant's net patient service revenue for the year ended 2011, and 31 5% and 8 6%, respectively for the year ended 2010 Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation As a result, there is at least a possibility that recorded estimates will change by a material amount in the near term

Other Payors
Novant also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations The basis for payment to Novant under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates

Payments for services covered by these programs and certain other third-party payor contracts are generally less than billed charges Provisions for contractual adjustments including Medicare, Medicaid, and managed care total approximately $4,322,535 (or 54%) and $4,004,663 (or 53%) of 2011 and 2010 gross patient service revenue, respectively

The provision for bad debts is determined based on management's assessment of historical and expected net collections, business and economic conditions, the age of the accounts, trends in federal and state governmental health care coverage and other collection indicators

5. Charity Care and Community Benefit

In accordance with Novant's mission to improve the health of its communities one person at a time, Novant facilities accept patients regardless of their ability to pay At acute facilities, uninsured patients qualify for a full write-off of their bills if their household income is at or below 300% of the federal poverty level Novant also offers a catastrophic discount for patients with an account balance greater than $5, flexible payment plans, and discounts for uninsured patients who do not qualify for the charity care program In addition to these programs for hospitals, Novant physician groups and outpatient centers also have charity care programs to assist patients in need The Company's cost of providing care to indigent patients was $124,117 and $118,565 for the years ended December 31, 2011 and 2010, respectively Novant estimates the costs of providing traditional charity care using each facility's estimated ratio of costs to charges Funds received from gifts or grants to subsidize charity services provided were $1,250 and $1,797 for the years ended December 31, 2011 and 2010, respectively

In addition to providing charity care to uninsured patients, Novant also provides services to beneficiaries of public programs and various other community health services intended to improve the health of the communities in which the Company operates Novant uses the following four categories to identify the resources utilized for the care of persons who are underserved and for providing community benefit programs to the needy and our neighborhoods

- Traditional charity care includes the cost of services provided to persons who cannot afford health care because of inadequate resources and who are uninsured

- Unpaid cost of Medicare represents the unpaid cost of services provided to persons through the government program for individuals age 65 and older as well as those that qualify for federal disability benefits

- Unpaid cost of Medicaid represents the unpaid cost of services provided to persons covered by the government program for medically indigent patients

- Community benefit programs consists of the unreimbursed costs of certain programs and services for the general community, mainly for indigent patients but also for people with chronic health risks Examples of these programs include health promotion and education, free clinics and screenings, and other community services Community benefit programs also include the cost of medical education and research

The amount of unpaid cost of Medicare, Medicaid, and other community benefit programs is reported on page 42 in the accompanying other financial information

6. Assets Limited as to Use and Investments

Short-Term Investments

Novant holds certain investments that are short-term in nature and have maturity dates ranging from three to twelve months Short-term investments consist of the following at December 31

	2011	2010
Certificates of deposit	$ 9,095	$ 2,968
Fixed income securities	176,355	44,523
	185,450	47,491
Less Valuation allowance	-	(2,403)
	$ 185,450	$ 45,088

Assets Limited as to Use

The designation of assets limited as to use is as follows

	2011	2010
Under indenture agreement held by trustee	$ 56,936	$ 116,465
Under general and professional liability funding arrangement held by trustee	53,003	42,310
Designated by board to service benefit plans	30,833	30,367
Restricted by bank agreements	11,790	16,777
Restricted by donor	7	9
	$ 152,569	$ 205,928

Assets limited as to use investments are invested primarily in cash and cash equivalents and corporate, U S government and U S agency debt obligations

Long-Term Investments

The composition of long-term investments at December 31 is set forth in the following table

	2011	2010
Cash and cash equivalents	$ 81,169	$ 11,884
U S equities	285,158	261,288
International equities	152,189	218,674
Fixed income securities	121,272	130,884
Hedge funds	356,317	323,229
Emerging markets	65,727	69,486
Real estate and other	20,130	11,824
	$ 1,081,962	$ 1,027,269

The Company's investments in hedge funds include limited partnerships, limited liability corporations, and off-shore investment funds The underlying investments of the limited partnerships and limited liability corporations include, among others, futures and forward contracts, options, and securities sold not yet purchased, intended to hedge against changes in the market value of investments These financial instruments may result in loss due to changes in the market (market risk) Alternative investments are less liquid than the Company's other investments

Novant's investments in hedge funds represent 32 9% of total long-term investments held at December 31, 2011 These instruments may contain elements of both credit and market risk Such risks include, but are not limited to, limited liquidity, absence of oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and nonmarketable investments), and nondisclosure of portfolio composition

Investment income (loss) for assets limited as to use and investments is comprised of the following for the years ended December 31

	2011	2010
Income (loss)		
Interest and dividend income	$ 17,661	$ 14,072
Net realized gains (losses)	(13,674)	5,884
Net gains (losses)	(23,804)	70,681
	$ (19,817)	$ 90,637

7. Property and Equipment

Property and equipment consists of the following at December 31

	2011	2010
Land and land improvements	$ 234,239	$ 222,935
Leasehold improvements	130,714	124,950
Buildings and building improvements	1,511,115	1,286,510
Buildings under capital lease obligations	25,773	27,099
Equipment	1,453,760	1,384,061
Equipment under capital lease obligations	8,897	18,201
Construction in progress	93,289	325,566
	3,457,787	3,389,322
Less Accumulated depreciation	(1,899,401)	(1,808,049)
	$ 1,558,386	$ 1,581,273

At December 31, 2011 and 2010, land and buildings with a net book value of $16,058 and $20,313, respectively, were leased to various unrelated health care organizations, with terms ranging from six months to five years Depreciation expense and capital lease related amortization expense for the years ended December 31, 2011 and 2010 amounted to $157,202 and $172,789, respectively Accumulated amortization for buildings and equipment under capital lease obligations was $18,597 and $27,991 at December 31, 2011 and 2010, respectively Construction contracts of approximately $366,025 exist for the construction of new hospitals, expansion of existing hospitals and facility renovations At December 31, 2011, the remaining commitment on these contracts was $79,842

On June 27, 2009, Novant sold a portfolio of 22 medical office buildings to a third party real estate investor The combined selling price of the buildings was $122,280 Novant is leasing space in each of the buildings from the buyer The transaction was recorded as a sale-leaseback and resulted in a total gain of $59,889 Novant recognized a gain from this transaction of $4,002 in 2011 and 2010 The remaining deferred gain of $49,884 will be recognized over the average life of Novant's lease agreements with the buyer

8. Intangible Assets and Goodwill

Intangible assets consist of the following at December 31

	Gross Intangible	Accumulated Amortization	Net Intangible
Balance at December 31, 2010			
Unamortized intangible assets			
Certificates of need	$ 86,603	$ -	$ 86,603
Total unamortized intangible assets	86,603	-	86,603
Amortized intangible assets			
Software	157,513	(113,435)	44,078
Business relationships	91,571	(10,773)	80,798
Corporate trade name and other intangibles	40,981	(6,075)	34,906
Total amortized intangible assets	290,065	(130,283)	159,782
Total intangible assets	$ 376,668	$ (130,283)	$ 246,385
Balance at December 31, 2011			
Unamortized intangible assets			
Certificates of need	$ 86,810	$ -	$ 86,810
Total unamortized intangible assets	86,810	-	86,810
Amortized intangible assets			
Software	189,551	(140,201)	49,350
Business relationships	90,420	(14,479)	75,941
Corporate trade name and other intangibles	39,415	(7,048)	32,367
Total amortized intangible assets	319,386	(161,728)	157,658
Total intangible assets	$ 406,196	$ (161,728)	$ 244,468

Amortization expense related to intangible assets was $31,749 and $21,527 for the years ended December 31, 2011 and 2010, respectively Estimated annual amortization expense for intangible assets for the years 2012 through 2016 is approximately $30,064, $15,764, $14,130, $13,299 and $10,378, respectively

The following table summarizes the changes in the carrying amount of goodwill for the years ended December 31

	2011	2010
As of January 1		
Goodwill, net of accumulated amortization	$ 304,650	$ 315,886
Accumulated impairment losses	(45,081)	(29,062)
	259,569	286,824
Goodwill transition adjustment	-	(24,312)
Goodwill acquired, net of purchase price adjustments and other	2,091	13,076
Impairment	(44,118)	(16,019)
	217,542	259,569
As of December 31		
Goodwill, net of accumulated amortization	306,741	304,650
Accumulated impairment losses	(89,199)	(45,081)
	$ 217,542	$ 259,569

As a result of its annual impairment testing for 2011 and 2010, Novant recorded impairment charges of $44,118 and $16,109, respectively, to reduce the carrying value of goodwill and other intangibles to their implied and estimated fair values for certain reporting units This impairment charge was a result of lower than expected operating results at certain Novant reporting units The 2011 impairment charge represents a full write off of the remaining goodwill for these reporting units Our impairment tests presume stable or improving results in our facilities, which are based on the implementation of programs and initiatives that are designed to achieve projected results If these projections are not met, or in the future negative trends occur which would impact our future outlook, further impairments of goodwill may occur Future restructuring of our markets that could potentially change our reporting units could also result in future impairments of goodwill

9. Investments in Affiliates

Novant has noncontrolling interests in eleven healthcare related entities The Company's ownership interests in the entities range from 5% to 50% These investments are accounted for using either the cost or equity method

A summary of investments, ownership percentages, investment amounts and the Company's share of earnings for the years ended December 31 is as follows

	% Ownership		Investment Balance as of December 31,		Share of Earnings of Investee	
Investee	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Hospital Partnership	30%	30%	$ 129,126	$ 129,877	$ 7,257	$ 6,287
Advanced Services	25%	25%	17,247	18,625	1,328	4,051
Solstas Lab Partners	5%	5%	11,167	11,167	-	-
Providence Plaza LLC	30%	30%	4,896	4,870	108	112
Rowan Hospice & Palliative Care LLC	50%	0%	2,551	-	72	-
Cancer Center	50%	50%	1,465	1,970	1,595	1,217
Other	Various	Various	6,737	6,553	899	143
			$ 173,189	$ 173,062	$ 11,259	$ 11,810

The following table presents summarized financial information related to investments in the above noncontrolled entities as of December 31

	2011	2010
Assets	$ 216,650	$ 225,242
Liabilities	58,590	88,405
Equity	158,060	136,837
Total revenue	301,934	296,940
Total expenses	267,972	256,813
Net income	33,962	40,127
Novant's share of net income	11,259	11,810

10. Other Assets

Other assets consist of the following at December 31

	2011	2010
Notes receivable and other	$ 9,669	$ 12,307
Deferred financing costs, net of amortization	12,700	14,137
Cash surrender value of insurance policies	11,598	10,143
Reinsurance receivables	7,495	7,162
Pledges receivable	1,525	1,743
	$ 42,987	$ 45,492

Deferred financing costs are amortized using the effective interest method over the life of the related debt agreements and instruments

Pledges Receivable
The Company's pledges receivable are expected to be collected as follows

2012	$ 961
2013–2016	900
Thereafter	988
	2,849
Less Allowance for doubtful accounts	(1,324)
	$ 1,525

11. Accrued Liabilities

Accrued liabilities consist of the following at December 31

	2011	2010
Accrued compensation	$ 150,280	$ 161,344
Payroll taxes and withholdings	15,398	2,528
Interest	11,574	11,820
Other accrued liabilities	78,722	62,490
Self-insurance		
Employee medical claims liability	19,878	16,900
Malpractice and workers' compensation liability	18,370	18,243
	$ 294,222	$ 273,325

12. Long-Term Debt

Following is a summary of long-term debt at December 31

	2011	2010
Tax-exempt revenue bonds	$ 951,972	$ 971,295
Mortgage revenue bonds	77,635	79,675
Hospital revenue bonds	75,175	77,005
Taxable revenue bonds	450,000	450,000
Taxable variable rate demand bonds	73,800	75,800
Total bonds	1,628,582	1,653,775
Term loan facility	-	125,000
Capital lease obligations and other notes payable	64,594	70,681
	1,693,176	1,849,456
Unamortized premium or discount, net	6,423	8,119
	1,699,599	1,857,575
Less Current maturities	(167,623)	(155,421)
	$ 1,531,976	$ 1,702,154

Tax-Exempt Revenue Bonds

Novant has tax-exempt financing agreements through the North Carolina Medical Care Commission (the "Commission"), under which the Commission issued the tax-exempt revenue bonds These bonds are comprised of the following at December 31

	2011	2010
Series 2010 A Current Interest Term Bonds and Serial Bonds, bearing interest at rates ranging from 4 0% to 5 0% payable semi-annually and maturing through 2043, principal payments begin in 2023	$ 264,165	$ 264,165
Series 2008 A,B and C Variable Rate Demand Bonds, bearing interest at variable rates payable monthly and maturing through 2028, principal payments began in 2009	174,450	183,465
Series 2006 Current Interest Term Bonds, bearing interest at rates ranging from 4 5% to 5 0% payable semi-annually and maturing through 2039, principal payments begin in 2023	250,000	250,000
Series 2004 A and B Variable Rate Demand Bonds, bearing interest at variable rates payable monthly and maturing through 2034, principal payments begin in 2025	135,000	135,000
Series 2003 A Current Interest Serial Bonds, bearing interest at rates ranging from 2 0% to 5 0% payable semi-annually and maturing through 2020	98,720	107,995
Series 1996 Current Interest Term Bonds, bearing interest at 5 0% to 5 5% payable semi-annually and maturing through 2026	26,155	26,155
Series 1996 Capital Appreciation Serial Bonds, bearing interest at 5 7% to 6 0% payable at maturity through 2014	3,482	4,515
	$ 951,972	$ 971,295

On November 2, 2010, Novant issued $264,165 of fixed rate bonds, bearing interest at rates ranging from 4 0% to 5 0% Proceeds of the bonds are being used to finance and reimburse Novant for expenditures related to the construction of the following Kernersville Medical Center, a new 50-bed hospital in Kernersville, North Carolina, a 74-bed replacement facility for Brunswick Community Hospital, and a 110,000 square foot, 4-story addition to Presbyterian Hospital

In March 2011, the documents related to the 2008 bonds were amended to allow the conversion of the bonds to bank direct purchase index floating rate bonds The term of the direct purchase agreement is five years and it will expire in March 2016

The 2004 A and B variable rate demand bonds are collateralized by a standby purchase agreement issued by JP Morgan Chase Bank National Association that expires December 8, 2012 Although Novant intends to provide for the collateralization of these bonds prior to that date, because the agreement expires less than a year from the date of the balance sheet, the 2004 A and B bonds are classified as current

In conjunction with the issuance of the 2003 bonds, Novant entered into a new Master Trust Indenture (the "Agreement") The Agreement authorizes the creation of a Combined Group, which consists of the members of the Obligated Group and the Restricted Affiliates Novant and two of its affiliates that operate tertiary care hospitals, Forsyth Memorial Hospital, Inc (d/b/a Forsyth Medical Center) and The Presbyterian Hospital, are the members of the Obligated Group The members of the Obligated Group are jointly and severally liable for the payment of all obligations under the Agreement Novant's Restricted Affiliates, which include certain other subsidiaries of the Company, are not directly obligated to pay obligations under the Agreement, but the members of the Obligated Group have covenanted in the Agreement to cause the Restricted Affiliates to provide funds to the members of the Obligated Group to pay obligations under the Agreement All bonds issued by Novant subsequent to the issuance of the 2003 bonds are also collateralized by Novant's Obligated Group

The bond agreements provide for early redemption periods of the bonds prior to mandatory redemption, subject to a premium, generally ranging from 0 0% to 2 0%, as defined in the agreements In accordance with the bond indenture agreements, the bonds are general, unsecured obligations of Novant The bond indentures require Novant to cause the Restricted Affiliates to comply with certain covenants, including the maintenance of a minimum debt service coverage ratio and a minimum number of days cash on hand As of December 31, 2011, Novant is in compliance with these bond covenants

Mortgage Revenue Bonds
On August 18, 2004, Rowan issued $87,125 of fixed rate Federal Housing Administration insured mortgage revenue bonds, bearing interest at rates ranging from 3 00% to 5 25% The bonds are payable in 50 semi-annual installments The revenue bond indenture and related letter of credit reimbursement agreement place limits on the incurrence of additional borrowings and certain other transactions These revenue bonds are collateralized by a first lien on all of Rowan's property, plant and equipment and all current or future properties and receipts, revenues, income, profits or proceeds from operations The revenue bond indenture requires Rowan to comply with certain covenants, including the maintenance of a minimum debt service coverage ratio Rowan is in compliance with all covenants as of December 31, 2011, with the exception of the debt service coverage ratio Rowan has undertaken or will be undertaking all requirements related to the failure to meet this covenant, including assessing and implementing steps necessary to bring the Company into compliance The failure to meet this ratio does not require an acceleration of the debt maturities, and therefore no change in the classification of the bonds is required

Hospital Revenue Bonds
PWHS has promissory notes to the Industrial Development Authority of the City of Manassas, Virginia and the Industrial Development Authority of the County of Prince William, Virginia, under which hospital revenue bonds were issued These bonds are comprised of the following at December 31

	2011	2010
Series 2002 Hospital Revenue Bonds, serial bonds bearing interest at rates ranging from 2 6% to 4 1%, annual payments of principal plus interest are due through 2012, and term bonds, which are due in 2023 and 2033, bearing interest at rates of 5 1% and 5 3%	$ 66,695	$ 67,695
Series 1993 Hospital Revenue Refunding Bonds, payments of principal which are due in 2012 and 2019, bearing interest at rates of 5 6% and 5 3%	8,480	9,310
	$ 75,175	$ 77,005

These bonds are secured by the revenue of PWHS, as defined in the related master trust indenture Under the terms of the bond indentures, PWHS is required to maintain certain deposits with a trustee Such deposits are included in assets limited as to use in the accompanying combined balance sheets The indenture agreement contains restrictive covenants, the more significant of which places limits on the incurrence of additional borrowings and requires PWHS to satisfy certain measures of financial performance as long as the bonds are outstanding, including the maintenance of a minimum debt service coverage ratio PWHS was in compliance with all bond covenants as of December 31, 2011

Taxable Revenue Bonds
On September 23, 2009, Novant issued $350,000 of taxable fixed rate bonds (the "2009A Bonds") $250,000 of these bonds bear interest at a rate of 5 85% and mature in 2019 The remaining $100,000 of these bonds bear interest at a rate of 4 65% and mature in 2014 Proceeds of the 2009A Bonds were used to refinance a portion of Novant's revolving credit facility in January 2010

On November 12, 2009, Novant issued $100,000 of taxable fixed rate bonds (the "2009B Bonds") The 2009B Bonds bear interest at a rate of 5 35% and mature in 2016 Proceeds of the 2009B Bonds were used to refinance the remaining portion of Novant's revolving credit facility in January 2010

The taxable revenue bonds are subject to the same covenant requirements that are included in the bond agreements for the tax-exempt revenue bonds

Taxable Variable Rate Demand Bonds
In 1997, Novant issued Taxable Variable Rate Demand Bonds, totaling $87,800, collateralized by an irrevocable letter of credit issued by Wachovia Bank of North Carolina, N A The irrevocable letter of credit is collateralized by the bonds, all income, earnings, profits, interest, premium or other payments on the bonds, and all proceeds arising from the sale, exchange or collection of the bonds Interest on the bonds is payable on a quarterly basis Mandatory sinking fund requirements began in 2001 and will continue until their final maturity of June 1, 2022 At December 31, 2011 and 2010, the rate of interest on the variable bonds was 0 22% and 0 29%, respectively The irrevocable letter of credit is currently available through March 1, 2014

Term Loan
On October 10, 2008, Novant entered into a $125,000 term loan agreement ("term loan") The proceeds of the loan were used to partially replenish cash from the initial investment in the HMA hospital partnership The term loan accrued interest at floating LIBOR plus 1% As of December 31, 2010, the rate of interest on the loan was 1 26% In 2011, the term loan matured, and was paid in July

Other Long-Term Debt
Other long-term debt consists of various loans and notes on buildings and capital leases, bearing interest at rates ranging from 1 25% to 12 15%

Scheduled maturities of all long-term debt are as follows

Years Ending December 31	
2012	$ 167,623
2013	48,856
2014	134,235
2015	42,090
2016	135,530
Thereafter	1,164,842
	$ 1,693,176

Novant capitalized $3,691 and $5,932 of interest in 2011 and 2010, respectively

The fair values of Novant's tax-exempt revenue bonds and taxable variable rate demand bonds are based on a pricing model At December 31, 2011 and 2010, Novant's bonds had an approximate fair value of $1,680,218 and $1,630,430, respectively All other debt approximates fair value

Short-Term Borrowings
The Company entered into reverse repurchase agreements in February 2009 The reverse repurchase agreements involve the short term sale of U S Treasury and Agency securities to brokers with the commitment to repurchase those securities within a stated term, generally between one and four weeks The amount outstanding under the reverse repurchase agreements was $80,876 and $94,962 as of December 31, 2011 and 2010, respectively

The Company had a loan with a commercial bank which bore interest at a rate of LIBOR plus 1 75% The outstanding balance on the loan was $850 as of December 31, 2010 The loan expired in May 2011

Interest Rate Swaps
As of August 18, 2008, concurrent with the 2008 bond issuance, Novant entered into two interest rate swap agreements to hedge the variable interest rates of the 2008 bonds The swaps have been designated as cash flow hedges and are carried on the balance sheet at fair value The swaps are based on an aggregate notional amount of $174,450 Novant receives a variable rate which is tied to 68% of LIBOR, and pays a fixed rate of 3 679% and 3 621% for the $129,500 and $44,950 notional amounts, respectively Both swaps are assessed for effectiveness on an ongoing basis at each quarter end using the hypothetical derivative method

The Company recognized unrealized losses of $(9,939) and $(4,465) as a change in unrestricted net assets related to the effective portion of the swaps, and losses of $(124) and $(848) in interest expense related to the ineffective portion of the swaps during 2011 and 2010, respectively

In July 2006, Novant entered into a floating-to-fixed swap agreement with a notional amount of $135,000 and a term of 28 years to hedge the floating rate 2004 bonds Under this agreement, the Company receives a variable rate which is tied to 64 8% of LIBOR plus 12 basis points and pays a fixed interest rate of 3 8% The interest rate swap agreement has been designated as a cash flow hedge and is carried on the balance sheet at fair value This swap qualifies for hedge accounting and was assessed for effectiveness at the time the contract was entered into and is assessed for effectiveness on an ongoing basis at each quarter end using the hypothetical derivative method Unrealized gains and losses related to the effective portion of the swap are recognized as a change in unrestricted net assets and gains or losses related to ineffective portions are recognized in excess of revenues over expenses The Company recognized unrealized losses of $(22,424) and $(6,560) as a change in unrestricted net assets related to the effective portion of the swap and income (losses) of $1,497 and $(890) in interest expense related to the ineffective portion of the swap for 2011 and 2010, respectively

In August 2005, PWHS entered into an interest rate swap agreement with a notional amount of $7,841 in order to hedge its exposure to changes in interest rates The interest rate swap matures on September 1, 2015, and the exchanges of cash flows with the counter party (a commercial bank) began on September 8, 2005 Pursuant to the swap agreement, PWHS pays the counter party a fixed interest rate of approximately 5 6% and receives interest at a variable rate equal to LIBOR plus one percent, calculated on the notional amount The interest rate swap does not qualify for hedge accounting and therefore changes in the fair value of the interest rate swap are recorded in excess of revenues over expenses

The following table summarizes the fair value as presented in the combined balance sheets as derivative financial instruments for the Company's interest rate swaps as of December 31, 2011 and 2010

	2011	2010
Interest rate swaps designated as hedging instruments	$ 70,790	$ 39,800
Interest rate swaps not designated as hedging instruments	1,020	952
Total derivative financial liabilities	$ 71,810	$ 40,752

The following table summarizes the effect of the interest rate swaps on the combined statements of operations and changes in net assets for the years ended December 31, 2011 and 2010

Interest rate swaps designated as hedging instruments

Classification of derivative gain (loss) on Statements of Operations	Amount of gain (loss) recognized in excess of revenues over expenses (ineffective portion)	
	2011	2010
Interest expense	$ 1,373	$ (1,738)

Classification of derivative gain (loss) on Statements of Operations	Amount of gain (loss) recognized as changes in unrestricted net assets	
	2011	2010
Unrealized losses on derivative financial instruments	$ (32,363)	$ (11,025)

Interest rate swaps not designated as hedging instruments

Classification of derivative gain (loss) on Statements of Operations	Amount of gain (loss) recognized in excess of revenues over expenses	
	2011	2010
Unrealized losses on non-hedged derivative financial instrument	$ (68)	$ (253)

13. Employee Benefits and Other Liabilities

Employee benefits and other liabilities consist of the following at December 31

	2011	2010
Retirement benefits	$ 39,704	$ 33,119
Other post-retirement benefits	23,071	19,864
Self-insurance malpractice and workers compensation, net of current portion	49,544	41,213
Employee benefits and other	124,911	84,913
Deferred gains	93,050	105,948
	$ 330,280	$ 285,057

14. Income Taxes

The provision for federal and state income taxes is as follows

	2011	2010
Current tax expense		
Federal	$ 39	$ 184
State	616	82
	655	266
Deferred tax benefit		
Federal	(1,723)	(2,705)
State	185	176
	(1,538)	(2,529)
	$ (883)	$ (2,263)

The tax effects of temporary differences that give rise to deferred tax assets and liabilities are

	2011	2010
Deferred tax assets		
Loss carryforwards	$ 53,439	$ 48,093
Deferred charge for intercompany transfer	17,279	18,608
Accounts receivable	3,941	4,065
Other long-term liabilities	890	543
Other	1,775	2,304
Total deferred tax assets	77,324	73,613
Deferred tax liabilities		
Property and equipment	(3,165)	(1,116)
Intangible assets	(22,751)	(23,676)
Other assets	(18)	(23)
Total deferred tax liabilities	(25,934)	(24,815)
Valuation allowance	(40,410)	(39,355)
Net deferred tax asset	$ 10,980	$ 9,443

GAAP requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of a deferred tax asset will not be realized The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are deductible In making this determination, management considers all available positive and negative evidence affecting specific deferred tax assets, including the Company's past and anticipated future performance, reversal of deferred tax liabilities, length of carryback and carryforward periods and implementation of tax planning strategies

Objective positive evidence is necessary to support a conclusion that a valuation allowance is not needed for all or a portion of deferred tax assets when significant negative evidence exists

Cumulative losses in recent years are the most compelling form of negative evidence considered by management in this determination For the year ended December 31, 2011, management has determined that based on all available evidence, a valuation allowance of $40,410 is appropriate

As of December 31, 2011, the Company had approximately $120,959 of federal and $88,025 of state loss carryforwards available to reduce taxable income The loss carryforwards expire through 2031

The tax benefit differs from the amount that would be calculated by applying the federal statutory rate

	2011	2010
Federal statutory rate	$ (1,684)	$ (2,521)
State income taxes	801	258
Income tax benefit	$ (883)	$ (2,263)

The Company is required to evaluate uncertain tax positions This evaluation includes a quantification of tax risk in areas such as unrelated business taxable income and the taxation of our for-profit subsidiaries This evaluation did not have a material effect on the Company's statement of operations for the years ended December 31, 2011 and 2010

15. Employee Benefit Plans and Other Postretirement Benefit Plans

GAAP requires an employer to recognize in its statement of financial position an asset for a plan's over funded status, or a liability for a plan's under funded status, measure a plan's assets and its obligations that determine its funded status as of the end of the employer's fiscal year, and recognize changes in the funded status of a defined benefit postretirement plan in the year in which the changes occur

Employee Benefit Plans
Certain Novant affiliates participate in the Pension Restoration Plan of Novant Health, Inc (the "Novant Plan"), a noncontributory defined benefit pension plan covering substantially all the affiliates' employees of record as of December 1998 Participation is limited to vested employees as of December 31, 1998 Effective January 1, 2008, and July 1, 2009, the Company assumed two noncontributory defined benefit plans, the Pension Plan for the Employees of Rowan Regional Medical Center (the "Rowan Plan") and the Prince William Hospital Corporation Cash Balance Pension Plan (the "Prince William Plan"), respectively Participation in the Rowan Plan was closed to new entrants and the accrued benefits were frozen as of December 31, 2003 Participation in the Prince William Plan was closed to new entrants and the accrued benefits were frozen as of April 1, 2010 The assets of the plans are primarily invested in common trust funds, common stocks, bonds, notes and U S government securities

Certain Novant affiliates have supplemental retirement income plans covering highly compensated employees These are nonqualified plans which are not subject to ERISA funding requirements As such, Novant intends only to fund the plans in amounts equivalent to the plans' annual benefit payments

The following table outlines the changes in Novant's supplemental retirement income plan and defined benefit pension plan obligations, funded status, and the assumptions and components of net periodic benefit costs for the years ended December 31

	2011	2010
Accumulated benefit obligation	$ 367,891	$ 307,397
Change in benefit obligation		
Projected benefit obligation at beginning of year	$ 330,556	$ 312,712
Service cost	3,127	4,188
Interest cost	16,799	17,582
Actuarial loss	6,878	244
Assumption change	45,100	14,534
Plan amendments	2,608	(1,887)
Settlements	(11,058)	-
Benefits paid	(13,891)	(16,817)
Projected benefit obligation at end of year	$ 380,119	$ 330,556
Change in plan assets		
Fair value of plan assets at beginning of year	$ 231,290	$ 212,721
Actual return on plan assets	5,959	27,851
Employer contribution	9,214	8,142
Settlements	11,058	-
Benefits paid, including plan expenses	(25,774)	(17,424)
Fair value of plan assets at end of year	$ 231,747	$ 231,290
Funded status	$ (148,372)	$ (99,266)
Components of net periodic benefit cost		
Service cost	$ 3,127	$ 4,188
Interest cost	16,799	17,582
Estimated return on plan assets	(15,212)	(14,902)
Amortization of prior service cost	(1,595)	(1,684)
Recognized net actuarial loss	8,369	7,456
Settlements	5,166	-
Recognized curtailment loss	-	219
Net periodic benefit cost	$ 16,654	$ 12,859
Amount recognized in the balance sheets		
Prepaid benefit cost at measurement date	$ 28,139	$ 26,600
Accrued benefit cost	(18,155)	(20,234)
Change in unrestricted net assets	(158,356)	(105,632)
Net liability recognized	$ (148,372)	$ (99,266)
Amounts recognized in unrestricted net assets		
Prior service cost	$ 5,179	$ 976
Net actuarial loss	153,177	104,656
	$ 158,356	$ 105,632
Other changes in plan assets and benefit obligations		
Net loss (gain)	$ 54,912	$ (6,485)
Prior service cost	2,608	935
Amortization of net loss	(6,390)	(1,577)
Amortization of prior service cost	1,595	1,684
Total recognized in unrestricted net assets	$ 52,725	$ (5,443)
Total recognized in net periodic benefit cost and unrestricted net assets	$ 69,379	$ 7,416

The assumption changes referenced above are primarily a result of changes in the discount rate in 2011 and 2010 The settlement charges referenced above are a result of the application of settlement accounting requiring the acceleration of the amortization of actuarial loss in unrestricted net assets due to the timing of benefit payout

The estimated net loss and prior service credit for the defined benefit pension plans that will be amortized from unrestricted net assets into net periodic benefit cost in 2012 are $11,556 and $1,815, respectively

The following ranges of weighted-average assumptions were used to determine plan benefit obligations for all Novant plans at December 31

	2011	2010
Discount rate	3 65 - 4 30%	4 50 - 5 50%
Rate of compensation increase[1]	5 00%	5 00%

(1) The compensation increase does not apply to the Rowan Plan or the Prince William Plan as benefits under these plans were frozen at December 31, 2011 and 2010

The following ranges of weighted-average assumptions were used to determine net periodic benefit cost for all Novant plans for the years ended December 31

	2011	2010
Discount rate	4 50 - 5 50%	5 25 - 6 00%
Expected return on plan assets	6 00 - 8 00%	6 00 - 8 00%
Rate of compensation increase[1]	5 00%	4 00 - 5 00%

(1) The compensation increase does not apply to the Rowan Plan or the Prince William Plan as benefits under these plans were frozen at December 31, 2011 and 2010

Plan Assets

Novant's pension plan asset allocation at December 31, 2011 and 2010 and target allocation for 2011 by asset category are as follows

	Target Range	Percentage of Plan Assets at December 31, 2011	2010
Asset Category			
Real estate and other	0–10%	3 0 %	5 0 %
Alternative asset funds	0–15%	7 0	0 0
Equity securities	25–70%	46 0	57 0
Debt securities	25–70%	44 0	38 0
		100 0 %	100 0 %

The Company's primary investment objective for the Novant Plan, the Prince William Plan and the Rowan Plan (the "Plans") is to invest plan assets in a manner that maximizes the probability of meeting the plans' liabilities when due The Plans hold equity mutual funds that are diversified by geography, capitalization, style and investment manager The Plans also hold fixed income mutual funds that are diversified by issuer and maturity In addition, the Plans may hold Treasury Inflation-Protected Securities, alternative asset, real estate and commodity mutual funds The investment guidelines, asset allocation, and investment performance are reviewed quarterly by the Novant Pension Restoration Committee During 2011, the assets in the Prince William Plan were liquidated and reinvested in assets similar to those utilized by the Novant Plan As a result of this transfer, certain plan assets in the Prince William Plan that were reported as Level 1 in 2010 are reported as Level 2 in 2011

The fair values of the Company's Plan assets at December 31, 2011, by asset category are as follows

	Fair Value Measurements at Reporting Date Using			
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Equity securities				
U S equity	$ -	$ 50,184	$ -	$ 50,184
Developed non-U S equity	-	42,144	-	42,144
Emerging markets equity	-	13,475	-	13,475
Fixed income securities				
U S fixed income	-	101,508	-	101,508
Alternative asset funds	-	16,923	-	16,923
Real estate and other	-	7,513	-	7,513
Total fair value of the Company's Plan assets	$ -	$ 231,747	$ -	$ 231,747

The fair values of the Company's Plan assets at December 31, 2010, by asset category are as follows

	Fair Value Measurements at Reporting Date Using			
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Equity securities				
U S equity	$ 24,047	$ 51,832	$ -	$ 75,879
Developed non-U S equity	4,670	40,146	-	44,816
Emerging markets equity	-	11,700	-	11,700
Fixed income securities				
U S fixed income	16,894	71,491	-	88,385
Real estate and other	-	10,510	-	10,510
Total fair value of the Company's Plan assets	$ 45,611	$ 185,679	$ -	$ 231,290

Cash Flows
Novant's contributions to the supplemental retirement income plan and defined benefit pension plan were $9,214 and $8,142 for the years ended December 31, 2011 and 2010, respectively

The Company expects to make contributions to the defined benefit pension plan of approximately $16,310 in 2012 The Company expects to make contributions to the supplemental retirement income plan of approximately $2,764 for the 2012 fiscal year

The following assumed benefit payments, under the Company's defined benefit and nonqualified supplemental retirement plans, which reflect expected future service, as appropriate, and were used in the calculation of projected benefit obligations, are estimated to be paid as follows

Year Ending December 31	
2012	$ 15,271
2013	19,419
2014	23,309
2015	16,081
2016	16,358
2017–2021	111,911

In addition, Novant sponsors a number of defined contribution plans Contributions are determined under various formulas Costs related to such plans amounted to $53,728 and $67,129 in 2011 and 2010, respectively

Certain Novant affiliates participate in cafeteria plans which provide certain benefits, including basic medical and dental coverage, long-term disability benefits, reimbursement of supplemental dependent care expenses and group life insurance benefits The affiliates contribute predetermined amounts for each full-time and part-time employee, which is allocated to the various benefit options in accordance with the participant's election Affiliate contributions to these plans were approximately $161,418 in 2011 and $152,395 in 2010

Novant is self-insured for medical coverage exposures up to certain limits for all Novant employees The Company has recorded an estimate of the liability for claims incurred but not reported as of December 31, 2011 and 2010

Other Postretirement Benefit Plans
Novant provides certain fixed dollar amounts for health care and life insurance benefits to certain retired employees Covered employees may become eligible for these benefits if they meet minimum age and service requirements, and if they are eligible for retirement benefits Novant has the right to modify or terminate these benefits

The following table outlines the changes in Novant's other post-retirement benefit plan obligations, funded status, and the components of net periodic benefit costs for the years ended December 31

	2011	2010
Change in benefit obligation		
Benefit obligation at beginning of year	$ 19,863	$ 18,264
Service cost	188	185
Interest cost	990	1,027
Actuarial loss	2,724	1,430
Plan participants' contributions	207	192
Benefits paid	(1,056)	(1,235)
Benefit obligation at end of year	$ 22,916	$ 19,863
Funded status	$ (22,916)	$ (19,863)
Amounts recognized in the balance sheets		
Accrued benefit cost	$ (22,916)	$ (19,863)
Amounts recognized in unrestricted net assets		
Prior service credit	$ -	$ (457)
Net actuarial loss (gain)	2,156	(1,254)
	$ 2,156	$ (1,711)
Components of net periodic benefit cost		
Service cost	$ 188	$ 185
Interest cost	990	1,027
Amortization of prior service credit	(511)	(629)
Recognized net actuarial gain	(633)	(779)
Net periodic benefit cost (credit)	$ 34	$ (196)

The estimated net gain and prior service credit for the post-retirement plans that will be amortized from unrestricted net assets into net periodic benefit cost in 2012 are $60 and $0, respectively

The following weighted average assumptions were used to determine postretirement benefit plan obligations at December 31

	2011	2010
Discount rate	2 20 - 4 15%	2 75 - 5 25%
Health care cost trend on covered charges	9 0% in 2012, grading to 5 00% in 2020	7 50 - 9 50% in 2011, grading to 5 00% in 2016

The following weighted average assumptions were used to determine postretirement benefit plan net periodic benefit cost for the years ended December 31

	2011	2010
Discount rate	2 75 - 5 25%	3 50 - 5 70%
Health care cost trend on covered charges	7 50 - 9 50% in 2011, grading to 5 00% in 2016	8 00 - 10 00% in 2010, grading to 5 00% in 2016

Assumed health care cost trend rates may have a significant effect on the amounts reported for the health care plans A one-percentage-point change in assumed health care cost trend rates would not have a significant effect on the amounts reported as of December 31, 2011

Cash Flows
The following assumed benefit payments under the Company's post-retirement benefit plans, which reflect expected future service, as appropriate, and were used in the calculation of projected benefit obligations, are expected to be paid as follows

Years Ending December 31	
2012	$ 1,059
2013	1,079
2014	1,127
2015	1,172
2016	1,215
2017–2021	6,622

16. Noncontrolling Interests

The following table reconciles the carrying amounts of the Company's controlling interest and the noncontrolling interests for unrestricted net assets

	Total	Controlling Interest	Noncontrolling Interests
Balance at January 1, 2010	$ 1,784,894	$ 1,775,542	$ 9,352
Excess of revenues over expenses	162,142	161,920	222
Loss on discontinued operations	(6,575)	(6,575)	-
Gain on sale of discontinued operations	10,238	10,238	-
Change in pension liability	4,912	4,912	-
Cumulative effect of change in accounting principle	(24,312)	(24,312)	-
Unrealized loss on derivative financial instruments	(11,025)	(11,025)	-
Other changes in unrestricted net assets	(2,853)	(782)	(2,071)
Balance at December 31, 2010	1,917,421	1,909,918	7,503
Excess (deficit) of revenues over expenses	890	(915)	1,805
Loss on discontinued operations	(3,996)	(3,996)	-
Gain on sale of discontinued operations	14,893	14,893	-
Change in pension liability	(52,173)	(52,173)	-
Unrealized loss on derivative financial instruments	(32,363)	(32,363)	-
Other changes in unrestricted net assets	(2,021)	(3,685)	1,664
Balance at December 31, 2011	$ 1,842,651	$ 1,831,679	$ 10,972

17. Fair Value Measurements

Novant categorizes, for disclosure purposes, assets and liabilities measured at fair value in the financial statements based upon whether the inputs used to determine their fair values are observable or unobservable Observable inputs are inputs which are based on market data obtained from sources independent of the reporting entity Unobservable inputs are inputs that reflect the reporting entity's own assumptions about pricing the asset or liability, based on the best information available in the circumstances

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy In such cases, an asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement of the asset or liability Novant's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability

Novant follows the three-level fair value hierarchy to categorize these assets and liabilities recognized at fair value at each reporting period, which prioritizes the inputs used to measure such fair values Level inputs are defined as follows

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities on the reporting date Investments classified in this level generally include exchange traded equity securities, futures, pooled short-term investment funds, options and exchange traded mutual funds

Level 2 Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability Investments classified in this level generally include fixed income securities, including fixed income government obligations, asset-backed securities, certificates of deposit, derivatives, as well as certain U S and international equities which are not traded on an active exchange

Level 3 Inputs that are unobservable for the asset or liability Investments classified in this level include an investment in a preferred stock fund

Assets and liabilities classified as Level 1 are valued using unadjusted quoted market prices for identical assets or liabilities in active markets Novant uses techniques consistent with the market approach and income approach for measuring fair value of its Level 2 and Level 3 assets and liabilities The market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities The income approach generally converts future amounts (cash flows or earnings) to a single present value amount (discounted)

As of December 31, 2011 and 2010, the Level 2 and Level 3 assets and liabilities listed in the fair value hierarchy tables below utilize the following valuation techniques and inputs

Certificates of deposit
The fair value of certificates of deposit is based on cost plus accrued interest Significant observable inputs include security cost, maturity, and relevant short-term interest rates

Fixed income and debt securities
The fair value of investments in fixed income and debt securities is primarily determined using techniques that are consistent with the market approach Significant observable inputs include benchmark yields, reported trades, observable broker/dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options

U.S. equity securities
The fair value of investments in U S equity securities is primarily determined using the calculated net asset value The values for underlying investments are fair value estimates determined by external fund managers based on operating results, balance sheet stability, growth, and other business and market sector fundamentals

Derivatives
The fair value of derivative contracts is primarily determined using techniques consistent with the market approach Significant observable inputs to valuation models include interest rates, credit spreads, volatilities and maturity

The following table summarizes fair value measurements, by level, at December 31, 2011 for all financial assets and liabilities measured at fair value on a recurring basis in the financial statements

	Fair Value Measurements at Reporting Date Using			
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets				
Cash and cash equivalents	$ 301,708	$ -	$ -	$ 301,708
Short-term investments				
Certificates of deposit	-	9,095	-	9,095
Fixed income securities	-	176,355	-	176,355
Total short-term investments	-	185,450	-	185,450
Assets limited as to use				
Cash and cash equivalents	61,759	-	-	61,759
U S equities	24,270	-	-	24,270
Fixed income securities	-	66,540	-	66,540
Total assets limited as to use	86,029	66,540	-	152,569
Long-term investments				
Cash and cash equivalents	81,169	-	-	81,169
U S equities	225,980	37,202	10,000	273,182
International equities	124,305	-	-	124,305
Fixed income securities	8,742	112,530	-	121,272
Emerging markets	65,727	-	-	65,727
Total long-term investments	505,923	149,732	10,000	665,655
Total assets at fair value	$ 893,660	$ 401,722	$ 10,000	$ 1,305,382
Alternative investments, recorded using the equity method which approximates fair value				416,307
Total assets included in cash and cash equivalents, short-term investments, assets limited as to use and long-term investments				$ 1,721,689
Liabilities				
Derivative financial instruments	$ -	$ 71,810	$ -	$ 71,810
Employee benefits liabilities	14,085	-	-	14,085
Total liabilities at fair value	$ 14,085	$ 71,810	$ -	$ 85,895

The following table summarizes fair value measurements, by level, at December 31, 2010 for all financial assets and liabilities measured at fair value on a recurring basis in the financial statements

	Fair Value Measurements at Reporting Date Using			
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets				
Cash and cash equivalents	$ 503,003	$ 4,876	$ -	$ 507,879
Short-term investments				
Certificates of deposit	-	2,968	-	2,968
Fixed income securities	-	42,120	-	42,120
Total short-term investments	-	45,088	-	45,088
Assets limited as to use				
Cash and cash equivalents	160,897	-	-	160,897
U S equities	30,367	-	-	30,367
Fixed income securities	-	14,664	-	14,664
Total assets limited as to use	191,264	14,664	-	205,928
Long-term investments				
Cash and cash equivalents	11,884	-	-	11,884
U S equities	222,956	21,908	6,000	250,864
International equities	189,174	-	-	189,174
Fixed income securities	4,055	126,829	-	130,884
Emerging markets	69,486	-	-	69,486
Total long-term investments	497,555	148,737	6,000	652,292
Total assets at fair value	$ 1,191,822	$ 213,365	$ 6,000	$ 1,411,187
Alternative investments, recorded using the equity method which approximates fair value				374,977
Total assets included in cash and cash equivalents, short-term investments, assets limited as to use and long-term investments				$ 1,786,164
Liabilities				
Derivative financial instruments	$ -	$ 40,752	$ -	$ 40,752
Employee benefits liabilities	14,703	-	-	14,703
Total liabilities at fair value	$ 14,703	$ 40,752	$ -	$ 55,455

For the years ended December 31, 2011 and 2010, the changes in the fair value of the assets measured using significant unobservable inputs (Level 3) were comprised of the following

	U.S. Equities
Balance at December 31, 2009	$ 6,000
Actual return on assets	-
Purchase and sales of assets, net	-
Transfers in/(out) of Level 3	-
Balance at December 31, 2010	6,000
Actual return on assets	-
Purchase and sales of assets, net	4,000
Transfers in/(out) of Level 3	-
Balance at December 31, 2011	$ 10,000

In accordance with the provisions of FASB Codification Topic 350, Intangibles - Goodwill and Other, goodwill with a carrying value of $44,118 was determined to be fully impaired during 2011 During 2010, this goodwill was partially impaired and an impairment charge of $16,019 was recorded These impairment charges are included in the combined statements of operations In addition, as discussed in footnote 2, the Company adopted new impairment guidance which required the Company to perform a transitional impairment evaluation as of January 1, 2010 This evaluation resulted in a transitional impairment adjustment of $24,312 The fair value measurements used in determining the fair value of the Company's goodwill were all deemed to be Level 3

18. Professional and General Liability Insurance Coverage

Novant is self-insured for professional and general liability exposures up to certain limits The Company has umbrella policies in place above those limits The provision for estimated medical malpractice claims includes estimates of the ultimate costs for reported claims and claims incurred but not reported Novant also participates in a self-insured program for workers' compensation and is self-insured for certain health benefits options A portion of these self-insured professional liabilities is funded through a revocable trust fund operated by Novant Liabilities for self-insured professional and general liability risks, for both asserted and unasserted claims were discounted, assuming a 3% rate for both malpractice and workers' compensation for December 31, 2011 and 2010, based on historical loss payment patterns This resulted in a present value of $67,914 and $59,457 at December 31, 2011 and 2010, respectively, and represented a discount of $5,672 and $4,078 in 2011 and 2010, respectively

19. Commitments and Contingencies

The Company and its affiliates are presently involved in various personal injury, regulatory investigations, tort actions and other claims and assessments arising out of the normal course of business Management believes that Novant has adequate legal defenses, self-insurance reserves and/or insurance coverage for these asserted claims, as well as any unasserted claims and does not believe these claims will have a material effect on Novant's operations or financial position

The health care industry is subject to numerous laws and regulations of federal, state and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse In recent years, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed

As of December 31, 2011 and 2010, the Company was contingently liable for guarantees of indebtedness owed by third parties in the amount of $170 and $608, respectively This amount represents the maximum potential future payments that the Company could be required to make under the guarantee This guarantee represents a 25% guarantee of the third party's amount outstanding on a line of credit The maturity date on the line of credit is June 30, 2012 and the total availability on the line of credit is $4,772 As of December 31, 2011, this liability is included in accrued liabilities in the combined balance sheet

20. Operating Leases

Certain operating properties and equipment are leased under noncancelable operating leases Total rental expense under operating leases was $96,416 and $105,107 in 2011 and 2010, respectively Future minimum rentals under noncancelable operating leases with terms of more than one year are as follows

Years Ending December 31	
2012	$ 83,003
2013	72,511
2014	65,459
2015	60,147
2016	52,896
Thereafter	208,479
	$ 542,495

Novant leases six plots of land to a third party under long-term ground lease agreements Total rental income under these lease agreements was $1,064 and $1,054 in 2011 and 2010, respectively The future rental income related to the ground leases are as follows

Years Ending December 31	
2012	$ 1,083
2013	1,117
2014	1,137
2015	1,158
2016	1,179
Thereafter	96,528
	$ 102,202

21. Concentrations of Credit Risk

Novant provides services primarily to the residents of various counties within North Carolina, South Carolina and Virginia without collateral or other proof of ability to pay Most patients are local residents who are insured partially or fully under third-party payor arrangements

The mix of receivables from patients and third-party payors at December 31 is as follows

	2011	2010
Medicare	26 6 %	26 7 %
Medicaid	11 3	10 4
Other third-party payors	54 6	54 8
Patients	7 5	8 1
	100 0 %	100 0 %

Novant places the majority of its cash and investments with corporate and financial institutions Novant maintains cash balances in excess of FDIC insured limits, however, the Company has not experienced any losses on such deposits

22. Functional Expenses

Novant provides general health care services to residents within its geographic region Expenses relating to providing these services at December 31 are as follows

	2011	2010
Health care services	$ 2,486,155	$ 2,416,797
General and administrative	946,751	890,884
	$ 3,432,906	$ 3,307,681

23. Subsequent Events

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through March 30, 2012, the day the financial statements were issued

24. Recent Accounting Pronouncements

In August 2010, the FASB issued ASU No 2010-23, which requires a company in the healthcare industry to use its direct and indirect costs of providing charity care as the measurement basis for charity care disclosures This guidance also requires additional disclosures of the methods used to identify such costs This guidance was effective for Novant on January 1, 2011 The additional disclosures required by this guidance are consistent with the presentation that Novant has historically used for charity care disclosures This guidance will have no impact on the combined statements of financial position and results of operations of Novant

In August 2010, the FASB released ASU No 2010-24, Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries The objective of ASU 2010-24 is to reduce diversity in practice regarding the accounting by health care entities for medical malpractice claims and similar liabilities and the related anticipated insurance recoveries The guidance clarifies that the amount of the claim liability should be determined without consideration of insurance recoveries and insurance recoveries should not be netted against a related claim liability This guidance was effective for Novant on January 1, 2011 The adoption of this guidance did not have a material impact on the combined financial position, results of operations or cash flows of Novant

In December 2010, the FASB released ASU No 2010-28, Intangibles - Goodwill and Other (Topic 350) When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts The objective of ASU 2010-28 is to address questions about reporting units with zero or negative carrying amounts and clarifies that an entity is required to perform Step 2 of the goodwill impairment test if it more likely than not that a goodwill impairment exists based on qualitative factors This guidance was effective for Novant on January 1, 2011 The adoption of this guidance did not have a material impact on the combined financial position, results of operations or cash flows of Novant

In May 2011, the FASB issued ASU 2011-4, which amends the fair value disclosure requirements regarding transfers between Level 1 and Level 2 of the fair value hierarchy and also the categorization by level of the fair value hierarchy for items that are not measured at fair value in the financial statements but for which the fair value is required to be disclosed ASU 2011-4 also requires additional disclosures for Level 3 measurements, including a description of the valuation process, sensitivity, and quantitative disclosure of unobservable inputs This guidance is effective for Novant beginning January 1, 2012 The adoption of this guidance will have no impact on Novant's combined statements of financial position and results of operations, but may result in additional disclosures

In July 2011, the FASB issued ASU 2011-7, Health Care Entities (Topic 954) Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities, which requires certain health care entities to present the provision for bad debts related to patient service revenues as a deduction from revenue, net of contractual allowances and discounts, versus as an expense in the statement of operations In addition, it also requires enhanced disclosures regarding revenue recognition policies and the assessment of bad debt This guidance is effective for Novant beginning January 1, 2012 and will be retrospectively applied This will result in a reduction of operating revenue and operating expenses but will have no impact on operating income in the statement of operations and changes in net assets

In September 2011, the FASB issued ASU 2011-8, Intangibles, Goodwill and Other (Topic 350) - Testing Goodwill for Impairment This guidance provides entities with the option of first assessing qualitative factors about the likelihood of goodwill impairment to determine whether further impairment assessment is necessary This guidance is effective for Novant beginning January 1, 2012 Novant elected to early adopt this new guidance in 2011 The adoption of this guidance had no impact on Novant's combined statements of financial position and results of operations

Other Financial Information

Report of Independent Auditors on Accompanying Information

To the Board of Trustees of
Novant Health, Inc.

We have audited the combined financial statements of Novant Health, Inc. and Affiliates as of December 31, 2011 and for the year then ended and our report thereon appears at the beginning of this document. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Cost of Community Benefit Programs is presented for purposes of additional analysis and is not a required part of the financial statements. The information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

March 30, 2012

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Novant Health, Inc. and Affiliates
Schedule of Cost of Community Benefit Programs
Years Ended December 31, 2011 and 2010

The net cost, excluding the provision of bad debts, of providing care to indigent patients and community benefit programs is as follows

(in thousands of dollars)	2011	2010
Traditional charity care	$ 124,117	$ 118,565
Unpaid cost of Medicare	239,520	194,464
Unpaid cost of Medicaid	116,731	92,569
Community benefit programs	86,627	63,567
	$ 566,995	$ 469,165